

Chartered Institute of Public Relations – Written evidence (PBS0035)

The Chartered Institute of Public Relations was founded in 1949 and granted a royal charter in 2005. It has 10,000 members, predominantly in the UK, but with small numbers in EU countries and elsewhere around the world. More than three quarters hold an undergraduate degree and more than one third, a masters degree or higher. Women constitute around two thirds of the profession. We obtained the power to grant individual chartered status in 2009, and since then have created 340 Chartered Public Relations Practitioners.

1. How important are the different UK professional and business services sectors to the UK's economy and trade in services?

The UK's 450 professional bodies represent and regulate 7 million professionals. A rapidly growing proportion of international members and foreign students contribute substantial direct exports from subscriptions, qualifications, training & examination fees; events, publications & accreditation of foreign university degrees. Indirect exports arise from supporting the value of other UK educational institutions by accrediting courses for professional qualifications.¹

In 2018 the CIPR estimated that there were 71,000 PR practitioners in the UK.² It is likely that this total has risen in the intervening two years, but we do not have a more recent estimate. The Public Relations and Communications Association, taking a slightly larger estimate of sector size, valued its work at £14.9bn in 2019.³ The largest ten agencies (which offer PR services as part of a mix of other business services) generate more than £30m each in annual revenues, but the 100th largest agency only generates annual income of around £3m. This indicates that PR is a sector with a small number of large firms and a long tail of much smaller agencies.⁴

Just over a quarter of PR professionals in the UK work in London and another quarter work in the Home Counties or other locations within commuting distance of London. Outside of London the main hubs of PR activity are the Manchester metro region and central Scotland, with about 10% of the profession based in each. Wales accounts for 5% and Northern Ireland for 3% of the total.⁵

Large agencies (100+ staff) or large offices of large agencies (50+ staff) are mostly based in London.. Many of the largest are London offices of global agencies based in the UK – e.g. Weber Shandwick, Edelman or Ketchum. Outside of London and

¹ [Promoting Professionalism, Professional Associations Research Network 2020](#)

² [State of the Profession, CIPR, 2018](#)

³ [PR Census, PRCA, 2019](#)

⁴ UK PR Industry Report, PR Week, 2019

⁵ [State of the Profession, CIPR, 2019](#)

Manchester smaller agencies are the norm; sole practitioners and micro-agencies (5 staff or fewer) are spread across every local government area in the country. Some of the small agencies specialise in sectors such as organic foods, travel or fashion, and it is not the case that just because they are small they only serve a local clientele. Many small agencies and freelancers support large corporate clients both in the UK and in other countries. For most UK PR professionals, non-UK markets and non-UK clients are not critical to their sustainability, but anything that impairs the effectiveness of UK PR agencies supporting UK firms selling goods and services into the EU, or hinders their ability to retain and bring in clients from EU countries, will have an economic impact on agencies up and down the country, and not just on a few large agencies in London. There are very few PR employers in the UK whose business depends exclusively or substantially on servicing EU clients.

In addition to agency staff, there are also in-house PR teams working for major operators such as Unilever, Heathrow Airport, the University of Cambridge, which are highly internationally-connected.

No reliable figures can be provided for the number of EU nationals currently working in UK PR, and their residency status; the number of UK clients supported by UK PR which service markets within the EU or the number of EU clients supported by UK PR servicing a UK or other markets.

2. What are the UK's different professional and business services sectors' key priorities for the future UK-EU relationship? What are the key priorities of smaller professional and business services providers and providers from the UK's regions and devolved nations in particular?

Our two main priorities are (1) the continued freedom of movement and freedom of establishment between the UK and the EU and (2) the continued free movement of data between the UK and the EU.

Much public relations work depends on speed and agility. Teams have to form and reform quickly to adapt to clients' changing needs. Obstacles and delays in bringing the right people to bear on a problem will hinder the ability of UK service providers to support clients based in EU states, or based in the UK with business interests in the EU. The EU needs to complete a satisfactory adequacy assessment of the UK if the free flow of data with EU member states is to continue.⁶

3. What preparations (if any) have UK professional and business services providers made, or planned to make, ahead of the end of the transition period?

⁶ <https://www.gov.uk/guidance/using-personal-data-after-brexit#looking-ahead-to-1-january-2021>

In 2018 we issued our members with the following advice:

Public relations can build resilience to Brexit changes through:

- Strong, effective relationships with core stakeholders including staff, customers, suppliers, investors, Government and important interest groups
- Understanding of the organisation's social context, using all the skills of empathy that public relations can call on, as well as extensive social research
- Leadership to ensure your organisation's voice is heard beyond its market
- Political intelligence and influence

We also offered a series of Brexit scenario-planning seminars for our members to help them work through the issues their organisations are likely to face.

In 2018, members attending one of these seminars were asked what their vision of Britain was in 2023 following a successful Brexit. They listed:

- i. No harm to GDP
- ii. Access to the Single Market
- iii. Increase in trade with non-EU countries
- iv. Rights of Britons living in EU countries and EU citizens in UK protected
- v. Solution to Irish border question
- vi. Cooperation on safety matters
- vii. Good relations with EU countries
- viii. Maintenance of workers' rights, environmental protection
- ix. Broad public support for Brexit outcomes
- x. No barriers to collaboration
- xi. A strong United Kingdom, with good relations between nations and regions
- xii. Sovereignty issues resolved (country comes to realistic assessment of its place in the world and possibilities for its future)
- xiii. Increased flexibility for the UK to take international initiatives
- xiv. Continued membership of EU bodies (e.g. Euratom, Erasmus)
- xv. Access to equivalent funding (to replace loss of support from EU funding sources)
- xvi. Maintenance of standards, for example in animal welfare
- xvii. Absence of nationalist groups
- xviii. UK's standing in the world sustained
- xix. Access to goods
- xx. A satisfactory regulatory framework (added in smaller group discussion)

Two years on, all of these outcomes still remain in doubt. Nevertheless our annual State of the Profession survey, due to be published in a couple of weeks, asks practitioners (not just CIPR members) what they regard as the major challenges ahead for PR. The answers have been fairly consistent for the last few years and among the most frequently-mentioned issues are the rise of fake news, unethical

practice, artificial intelligence and developing new digital skills. Brexit and its impact are not in the top ten concerns for the sector. Our conclusion is that the PR sector as a whole has not taken many specific steps to prepare for Brexit, because nobody yet knows what the final agreement will be. If we end up with a no-deal Brexit then UK firms with EU clients are likely to lose them, and they will look for new clients elsewhere. That is about as prepared as they can be.

4. What provisions should the Government seek to negotiate to minimise potential barriers to trade, particularly for smaller professional and business services providers? What steps should the Government take to preserve the competitiveness and innovation capacity of the UK's different professional and business services sectors?

No response from the CIPR on this question.

5. What type of arrangements should the Government seek to negotiate with the EU for the mobility of professionals?

Most of the activity of public relations does not come under statutory regulation in the UK, or indeed in any EU member state either. The main exception is lobbying, which is regulated in some way on most jurisdictions. There are other regulatory frameworks for advertising, broadcasting and the financial sector which have a bearing on some of the work undertaken by public relations professionals, but in general terms, public relations is not regulated.

The risk is that if no agreement is reached to follow the transition period, all of the existing arrangements on mobility of professionals will lapse, and it will then be open to the EU to start imposing restrictions on the movement of regulated professionals. It is possible that this will have no impact on the movement of unregulated professionals such as those working in PR, but it is also possible that a steady escalation of reciprocal restrictions between the UK and the EU produces an increasingly 'hostile environment', meaning that EU clients generally stop looking to the UK for the provision of professional and business services.

6. How important are arrangements on the mutual recognition of professional qualifications to professional and business services providers in the UK and EU? How could a future UK-EU agreement best allow for this?

Directive 2005/36 EC on the mutual recognition of professional qualifications has never applied to public relations, so unlike regulated professions such as architects, nurses or lawyers, public relations does not require any special sector-specific arrangements following the end of the transition period. The existing arrangements

within the EU do not inhibit UK PR professionals from offering services anywhere across the member states, just as they do not prevent EU agencies or service providers from setting up in the UK. What our sector needs is for these arrangements to continue without interruption, or with the least possible amendment.

If the transition period ends with no provisions for mutual recognition and professional mobility in place between the UK and the EU, the impact would be immediate on the regulated professions. The UK generally regulates the professions less than do many EU states, so some of our neighbours have well-established barriers ready to hand to impose on UK professionals just as they currently apply to other non-EU professionals, whereas we do not.

If 2021 sees the gradual emergence of a 'hostile environment' for the regulated professions currently provided for by Directive 2005/36 EC this would have no direct impact on the unregulated professions, but it would likely pave the way for a new regime of permissions and restrictions which would have the effect of generally discouraging professional mobility between the UK and the EU. This would certainly serve as a constraint of trade in the public relations sector, as it would elsewhere.

We therefore think that the UK government should seek new arrangements with the EU that replicate the existing provisions on mutual recognition and professional mobility as closely as possible.

7. What provisions should the Government seek to agree with the EU on cross-border investment and rights of establishment?

The government should agree the highest possible degree of freedom between the UK and the EU in these matters.

8. Should there be regulatory cooperation between the UK and the EU on professional and business services? If so, what form should such cooperation take?

Cooperation should take the form of agreeing to continue freedom of establishment and on the provision of services between the UK and the EU. This will, in turn, require ongoing close alignment on professional standards between the two jurisdictions. As public relations does not come under statutory regulation none of these provisions will have a direct positive effect on the sector. However if these provisions do not come into existence or are weak, the overall climate for cross-border provision of services will involve greater friction and the overall market will suffer.

9. What lessons, if any, can be learnt from the EU's existing trade agreements with other third countries including services, or negotiations on trade in services?

No response from the CIPR on this question.

10. To what extent could UK-EU trade in professional and business services continue in the absence of a UK-EU agreement covering services? How effective would the WTO General Agreement on Trade in Services be in supporting such trade, and what arrangements (if any) could be put in place to go beyond the WTO framework?

Public relations will generally fall under Mode 4 of the General Agreement on Trade in Services (GATS) – that is, where service providers from one WTO member enter the territory of another for the purpose of providing a service. If the UK is to maintain its position as the leading provider of global PR services to clients around the world, it is essential that UK-based PR professionals can continue to move freely to wherever their clients are located in the world and provide their services without restriction. Although PR is a sector which makes full use of modern telecommunications, face to face meetings remain a critical part of building successful business relationships in almost any part of the world.

Equally there may be businesses based in the UK, or based in other jurisdictions but with a significant and active presence in the UK, who will want to bring in PR professionals from other countries in order to take their advice. Maintaining Britain's position as an attractive base for all kinds of business will depend on their being able to bring professional advisers in without restriction.

The WTO allows members to make provision to restrict Mode 4 provision of services only to 'highly-skilled' individuals, and this may adversely affect PR. Most countries understand 'highly-skilled' to mean people with specific scientific, technical or medical skills. PR skills are not of this sort and PR professionals may therefore find themselves excluded from easily travelling to meet and advise clients in some countries.

In the CIPR's 2020 State of PR report, due to be published in a few weeks, two thirds or more of senior PR practitioners describe themselves as undertaking the following activities in their work: strategic planning, community and stakeholder relations, crisis and issue management, internal/employee communications, and research, evaluation and measurement. All of these activities require a thorough understanding of local markets, communities and context, and the last two are likely to require access to sensitive personal data. This goes to the heart of how public relations differs from other business and professional services.

Language skills permitting, a naval architect or a sound engineer can come from any country of origin and work for any client who needs their expertise in any

market. Public relations is driven less by technical or analytical skills and it is not a science; its effectiveness depends on a thorough and well-grounded understanding of people, their culture, and how they are likely to respond to particular messages. We have recently seen, in the case of COVID-19, the UK and EU states hit by the same disease at the same time. All have responded with major public health campaigns, and all of those campaigns have contained the same key messages. Nevertheless no two countries have done exactly the same thing in the same way, because the audience context is different.

These same principles hold true for any other kind of public relations work. A major brand planning to launch in a number of countries will need expert PR advice from each of those countries, or from a single agency able to draw on expertise from those countries. If UK PR agencies are not able to bring in EU nationals to help support clients based in the EU or selling into the EU, they will rapidly rule themselves out of being able to take on EU-based or EU-serving clients. If UK PR professionals are unable to move freely within the EU and work, temporarily or longer-term, in EU member states, then they will likewise not be able to serve them adequately.

The WTO also allows countries to apply restrictions based on economic needs. All EU states have their own domestic PR agencies, and when the UK was a member state there were often collaborations between agencies in different countries. It may be hard for a German client to show that, for example, a UK-based PR firm is best placed to handle a particular business for them, rather than a German one. Even if they could show this, the delay and friction caused by having to prove it would, over time, make it less likely that a UK service provider would be preferred. It is essential for UK PR that EU states not seek to restrict business to their own domestic suppliers – and of course the UK should maintain a level playing field and do the same.

Overall our view is that GATS would represent a significant step backwards for professional freedoms if it were to be the basis of an ongoing arrangement between the UK and the EU.

11.If there were no reciprocal data adequacy arrangements in place between the EU and UK by the end of the transition period, what would the implications be for professional and business services providers?

The implications could be very serious for public relations. The industry is heavily dependent on the ability to use accurate, up to date personal data about opinions, political attitudes, consumer preferences and other characteristics in order to analyse stakeholder sentiment, plan campaigns and measure impact. Without access to this data PR professionals will be effectively excluded from large tranches of work in EU countries or working for EU-based clients. Multinational agencies with a base in London will end up serving non-EU clients, with some kind of internal

firewall to allow offices in EU jurisdictions to provide advice and services to clients in those countries. If it becomes an offence for EU companies to share personal data with UK-based PR firms there is no doubt that this will constitute a major impediment to business.

In addition to the operational limitations this would create, it would also constitute a clear statement from the EU authorities that they regard the UK as 'dirty' for data purposes. This would be likely to undermine trust in UK business in general and in the professional services sector in particular.

12. What opportunities (if any) could the UK's withdrawal from the EU offer to the UK's professional and business services providers?

Leaving the EU does not enable anything that could not be done otherwise, or add any value where it could not otherwise be created. If we secure a comprehensive agreement on business services and data, we will be no better off than we are currently. If we fail to secure such a deal we will clearly be worse off. It is possible that the loss of business with EU countries could be made up with new business elsewhere, but that is not an 'opportunity'.

Part of Britain's attractiveness as a global business hub is the ability of its business service providers to meet the exact needs of clients in any part of the world. Every client is unique and every business requirement is different. Britain's ability to pull together teams of professionals from different disciplines to meet those needs quickly and effectively is critical to our success. Those teams may be partly UK-based and partly not, and may involve, at the UK end, people permanently based here, and others not. Anything that slows down or impairs our ability to pull those teams together and reshape them according to changing needs, drawing on expertise from different places, is going to make it harder to serve clients effectively both within the EU and more widely in the world. Opportunities for our sector will come from strong trading arrangements and borders that allow businesspeople, professionals and students to move freely in and out of the country.

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