

Google Caught Bribing Europeans To Try To Hold Off Investigations

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Google, Trying to Ender itself to Europe, Spreads Cash Around

By MARK SCOTT

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Photo



Google installed this interactive high-resolution display, which shows a series of artwork including Van Gogh's "Starry Night," at its cultural institute in Paris. Credit Owen Franken for The New York Times

A yearlong digital training course for Irish high school teachers started in 2014. A fund to help European news outlets adapt to the web popped up in 2015. And in March, a virtual reality exhibition began at a Belgian museum to showcase a Renaissance painter.

All these projects are aimed at supporting European culture and education, helping the region embrace the fast-changing online world. And all are financed by Google.

Google has been staging a full-court press in Europe to finance everything from start-up offices to YouTube-sponsored music concerts, trying to remake its image in the region as it battles a mounting list of regulatory woes.

Those efforts represent a campaign of "soft lobbying" where instead of, or alongside, paying registered lobbyists to advocate its case in the corridors of power, a company looks to change the minds of the public at large. In Google's case, experts say, its push to sponsor digital skills training, museum exhibitions and other programs equates to an almost unprecedented effort by a United States tech company to change the perceptions of Europeans, many of whom still see it as an American interloper that does not play by the rules.

Google's soft lobbying efforts are by no means unique, and have filled a funding gap that governments and European rivals are unwilling, or incapable, of matching.

But the company has ramped up its campaign in recent years, earmarking about \$450 million from 2015 to 2017 — based on Google's public filings and industry estimates of its activities — to revamp its reputation with Europeans and, more important, the region's policy makers who have the power to issue fines totaling billions of dollars.

"We can do a better job about listening to people's questions and concerns," said Matt Brittin, a former British Olympic rower who [look over running](#) Google's operations across Europe, the Middle East and Africa in 2015, partly to improve relations with European officials, local citizens and corporate rivals.

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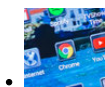
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Google's vast array of programs "are important for our partners, for us and for the countries where we work," he added.

Google's European regulatory problems have gone from bad to worse. They range from [charges](#) that it broke antitrust rules — including a [third round](#) announced on Thursday — to [investigations](#) into allegations of tax shortfalls amounting to more than \$1 billion. Google also faces accusations that [it does not fully protect](#) European's privacy rights online. The company rejects all the claims.

Even before its recent charm offensive, it was one of the largest spenders on direct lobbying in Brussels, home to most of its European regulatory headaches.

Its spending on political lobbying in Brussels [tripled](#) to as much as \$4.2 million in 2014, according to the latest figures available in the E.U.'s [voluntary transparency register](#), which may not include all of the company's lobbying efforts. That places it [among the top 10](#) for such spending in Europe, but is a far cry from the [approximately \\$17 million](#) that Google spent in Washington over the same period.

Critics and industry watchers say the search giant's foray into cultural and economic spending, whose increase roughly coincided with Europe's [first set of antitrust charges](#) in early 2015, is aimed at eventually winning over local skeptics, who worry Google has too much control over how Europeans gain access to digital services.

"There's an offensive by Google to present itself as a friendly force," said Ramon Tremosa, a Spanish member of the European Parliament and a [vocal opponent](#) of the search giant's regional dominance. "There has been a major change in the last two years. There's no doubt about that."

How Europe Is Going After Google, Amazon and Other U.S. Tech Giants

The biggest American tech companies face intensifying scrutiny by European regulators, with — pressure that could potentially curb their sizable profits in the region and affect how they operate around the world.



Google's efforts have largely concentrated on European arts, education and culture; it has even offered some spending to its critics. And almost no group has been as active in lobbying against Google as [Europe's powerful publishers](#).

Many, including Axel Springer of Germany and Rupert Murdoch's News Corporation, [have vocally campaigned](#) for laws to force the company to pay content producers when Google uses their material on its European aggregation sites.

Yet earlier this year, Google [awarded](#) the first grants from a [newly created \\$167 million fund](#) for European publishers to help them adapt to the digital world. The goal, says Madhav Chinnappa, the Google executive running the program, is to give newspapers, magazine publishers and start-ups the financial freedom to try new ways to connect with online consumers. (The International New York Times took part in a previous Google-backed fund for French publishers.)

Euronews, a pan-regional broadcaster based in France, [has received](#) more than \$500,000 to test 360-degree news videos, and aims to produce broadcasts by the end of the year.

"Of course, Google has its own agenda to show to Europe's political powers that they aren't bad guys," said Michael Peters, chief executive of Euronews. "But this gives organizations like ours the chance to do these types of projects. It wouldn't have happened without Google."

The Silicon Valley company is also tapping into a more friendly audience: Europe's tech community.

From London to Madrid, it has built, or invested in, so-called co-working spaces — open-plan offices where eager 20-something developers can meet to swap ideas and, potentially, start new businesses. These buildings have helped to connect the American company with Europe's [fast-growing tech hubs](#), says Frédéric Oru, international director of Numa, a start-up incubator in Paris that has received Google funding.

To push its tech credibility, Google will spend more than \$75 million by year-end to train roughly two million Europeans in digital skills like e-commerce and online marketing (often based on the company's own advertising products), an important goal for European policy makers, who are trying to create a [digital single market](#) to jump-start economic growth.

In Dublin, home to Google's European headquarters, that has involved a one-year course in software coding for local teachers. Participants in the class, run by Trinity College Dublin, have been invited to the company's glass-fronted offices on the shores of the Liffey River to learn directly from Google staff members.

"I'm so confident now that I can teach my students anything and they can just run with it," said Helen O'Kelly, 38, a former Microsoft employee who retrained to become an I.T. teacher.

Not all of Google's good will activities have been so well accepted.

When it officially opened a "cultural institute" — a Paris-based group of engineers whose goal is to help more than 1,100 institutions, including the Metropolitan Museum of Art in New York and the Musée d'Orsay in Paris, embrace the digital world — France's culture minister [was a no-show](#).

Museums still regularly question Google's motives because the tools like high-definition cameras to digitize artwork are all free. Institutions also have raised concerns about who controls the copyright of the masterpieces (Google says all rights remain with the institutions).

The tech giant has often picked museums with a digital connection. That includes the restoration of Bletchley Park, a museum on the outskirts of London that housed British codebreakers during World War II and that helped spur the creation of modern-day computers.

Yet Sue Hughes, a retired elementary-school teacher who recently visited the museum — made famous in the recent movie "[The Imitation Game](#)" starring Benedict Cumberbatch — remained ambivalent.

"That's typical of Americans," she said when asked about a large poster at the entrance to Bletchley Park highlighting Google's financial support.

"It's like they used to say in the war," she added. American companies like Google "are [oversexed, overpaid and over here.](#)"