



**LEVESON INQUIRY:
CULTURE, PRACTICE
AND ETHICS OF THE PRESS**

**SUBMISSION BY
TRANSPARENCY INTERNATIONAL UK**

November 2011

Leveson Inquiry

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1. Introduction

Transparency International UK (TI-UK) is an anti-corruption organisation. This submission covers two areas within TI-UK's specific area of expertise. It is not intended to raise or examine the full range of ethical issues that will be the subject of the Leveson Inquiry. The subject areas covered by this submission are:

- Areas in which sections of the UK media may have acted corruptly
- Areas in which there is no evidence of corruption by, or caused by, the UK media, but in which the environment created may be conducive to corruption.

More specifically, this submission covers

- The importance of press freedom
- The role of investigative journalism
- Bribery
- Media regulation
- Concentration of media ownership
- Relationships between the media and politicians
- Detrimental impacts of systemic corruption.

Transparency International's definition of corruption is 'the abuse of entrusted power for private gain.' This is a widely-used definition of corruption and encompasses behaviours and activities that may be illegal or legal but unethical.

In some areas, this submission makes recommendations. However, ***the primary purpose of this submission is to draw the Leveson Inquiry's attention to the issue of corruption, and to note that corruption is an important issue for the Inquiry to address in the context of the UK media.***

2. Research into corruption in the UK media

In June 2011, TI-UK published, in 4 volumes, the results of a two-year research project into Corruption in the UK. One of the 23 sectors examined in the course of this research was the Media. The researched followed a well-established methodology known as a National Integrity System (NIS) Assessment, which offers an evaluation of the legal basis and actual performance of the national governance institutions ('pillars') which are responsible for counter-acting corruption.

Our Report concluded that, overall, the Media pillar was strong taking into account the diversity of the media, which ranges from social media and on-line blogging to the BBC, Private Eye and the Sun. However, the Report noted some significant areas of concern related to accountability, the media's role in undermining other pillars of national integrity, and the integrity of media employees.

A draft of our Report was verified at a stakeholder workshop in April 2011, and the Media emerged as the most controversial pillar of the overall study, as many participants felt that the issues of poor ethical standards in some sections of the media and the dangers of concentration of ownership outweighed the positive aspects of other section of the media.

The full assessment of the UK Media can be found in *Corruption in the UK Volume 3* page 100ff. The summary is reproduced here:

"The UK has a diverse media, which is generally free from outside political interference. There are a plethora of media forums which inform the public about the activities of government and governance actors. Furthermore, the media in the UK play a key role in uncovering corrupt practices. Indeed, the UK media have been proactive in uncovering various corrupt practices in politics and business which have resulted in policy changes.

There are, however, some perennial concerns which it is important to raise as red flags. A key concern is the integrity of certain parts of the print media, their intrusion into privacy and how they are held to account in practice. The press is subject to a form of voluntary self-regulation. Although this does ensure freedom from outside interference, possible consequences are difficulties in ensuring integrity when pursuing and reporting stories; the correction of errors and redressing the damage done as a result; and in holding the press to account for their behaviour. It is possible that current financial constraints may be contributing to a lowering of standards. At the time of writing, there is an ongoing debate in the UK about regulation of the press.

“It is also worth noting that, at the workshop to discuss this research, there were concerns expressed by many attendees about the ‘power’ of the media and a view that the media do not always have a positive impact on the integrity system in the UK. Furthermore, there was a general view that our overall score for the media pillar was too high. However, while we understood the concerns expressed at the workshop, and have addressed many of them, we felt that many issues raised were outside the questions outlined in the NIS methodology. Our focus was on the questions to be addressed in the methodology and, on this basis, we believe our scores are fair.

The emergence in the public consciousness of ‘super-injunctions’ has also raised concerns in the UK, suppressing as they do the reporting of events and people. There are also concerns about both the bias of the press, in terms of support for political parties, and the concentration of media ownership in relatively few hands. There are then, various tensions which need to be resolved in the UK. It is not the purpose of this report to proffer solutions, but rather to raise the issues which need to be addressed. A balance needs to be found in the UK between the protection of privacy for individuals and the enforcement of high journalist standards on the one hand, with freedom of the press and the right to investigate issues in the public interest, on the other.”

3. The importance of press freedom

Transparency International has chapters in around 90 countries, and undertakes extensive research into corruption at both national and global levels. Freedom of the press is regarded by Transparency International (TI) as a key pillar in a state’s national integrity system, helping to safeguard good governance and democracy while holding to account those in positions of entrusted power in both the public and private sectors. However, TI is also aware that, when ethical standards in journalism deteriorate, as they have in recent years, freedom of expression can actually be damaging to society and the other pillars that safeguard national integrity. An arms-race of information gathering and speculation can lead to corrupt behaviour such as bribe-paying. It can lead to a reluctance, through fear of a media backlash, on the part of politicians, public officials and other bodies to hold to account corrupt individuals and institutions. TI-UK thus strongly supports the principle of press freedom, but acknowledges that this is open to abuse because of unethical practices and therefore may need to be subject to stronger regulation.

4. The role of investigative journalism

Investigative journalists have played an extremely important role worldwide in exposing corruption. The phone hacking and MP expenses scandals are two examples in the UK. At our stakeholder workshop in April 2011, concern was expressed about the decline in investigative journalism in the UK, and in particular the resources that major media organisations commit to this. At the same time, investigative journalism can be intrusive and detrimental to individuals' privacy, and is open to abuse by those using a 'public interest' argument. Although TI-UK strongly supports the principle of the UK media supporting well-resourced investigative journalism, it is important that there should be genuine public interest grounds for any such investigations and resulting stories.

5. Bribery

The UK Bribery Act 2010 brings the UK in line with its international commitments under the OECD Anti-Bribery Convention. Bribes by journalists are typically paid either to gain access to information (e.g. from the police) or while travelling internationally. TI-UK **recommends** that media organisations should ensure that they have in place the 'adequate procedures to prevent bribery' envisaged in the UK Bribery Act. Such adequate procedures might typically include a code of conduct, in which employees are trained, and which the company ensures is implemented through a compliance or internal audit function. TI-UK further **recommends** that journalists and other key staff are properly trained to understand and avoid bribery.

6. Concentration of media ownership

The relationship between the Murdoch empire and UK politicians has now been widely-acknowledged as unhealthy for democracy. Such a high concentration of ownership of the media, and the possibility of cross-media ownership, creates an environment in which corruption can thrive and those who seek to prevent it or hold others accountable for it are at best ignored and at worst subject to sustained media attack. TI-UK **recommends** that mechanisms be put in place that prevent a concentration of ownership that can provide an environment that is conducive to corruption. This would require a change from the current situation.

At the same time, it is notable that several important areas of the UK media have changed their ownership recently.

TI-UK believes that as the media is a key pillar of national integrity, it is imperative that media owners are fit and proper people. TI-UK therefore **recommends** that those who are majority owners of media companies, or significant minority owners of particularly influential media companies, should be subject to a 'fit and proper person' test.

7. Relationships between the media and politicians

TI-UK's area of greatest concern is the relationship between the media and politics in the UK. It is arguable that the reliance of governments and politicians of all parties on the media to promote their messages in a manner that is attractive to the electorate has had in general a deleterious effect on the independence of politicians and their duty to act in the public interest. Disturbingly, it appears to have distorted government policy, possibly in key areas such as press regulation and regulation over media ownership. While this is difficult to regulate, it is clear that concentration of media ownership, and ownership across different media, creates a series of incentives for politicians and governments to act unethically.

A related area of concern is the 'revolving door' between media departments in government, the civil service and political parties on the one hand, and media organisations on the other. TI-UK recently published research into the revolving door (*Cabs for Hire*, TI-UK, May 2011) which highlights that the current system of regulation is inadequate and, in any case, poorly-enforced. This creates an environment in which corruption can thrive. TI-UK **recommends** that more effective regulation of the revolving door is specifically addressed by the Leveson Inquiry.

8. Detrimental impacts of systemic corruption

A responsible and ethical media is a key pillar in a state's national integrity system. Even if a minority of the media fabricates stories, vilify the innocent and vulnerable, and distort political decision-making, this undermines the other pillars of a national integrity system and can help to create and sustain an underlying problem of systemic corruption in a state. The phone hacking scandal has already revealed the willingness of certain journalists to bribe police officers; likewise, editorial patterns suggest the willingness of some media to promote views that may be in the commercial interest of their owners while at the same time undermining other pillars of the UK's national integrity system. TI-UK **recommends** that the Leveson Inquiry should recognise and acknowledge the danger of systemic corruption resulting from such abuses and seek to put into place counter-measures specifically design to address this threat.

9. Media regulation

The current system of media regulation has clearly failed to prevent corruption in several different areas. The police have been bribed. Fake stories have been published. Political priorities have been distorted. Innocent individuals have been persecuted. A system of self-regulation relies on strong codes of personal and institutional ethics, and it is questionable whether this attitude prevails throughout the UK media. TI-UK **recommends** that the current system of self-regulation should be changed so that there is a system of independent regulation and scrutiny with real powers to police and uphold ethical standards.

10. Conclusion

TI-UK's research suggests that, although media independence in the UK is well protected by law and at its best the media plays a very important role in exposing and acting as a safeguard against corruption, there are also some fundamental concerns that need to be addressed with urgency.

Annex I

This submission is made by Transparency International UK (TI-UK), registered charity 1112842.

Transparency International UK (www.transparency.org.uk) fights corruption by promoting change in values and attitudes at home and abroad, through programmes that draw on the UK's unique position as a world political and business centre with close links to developing countries.

Transparency International UK

- Raises awareness about corruption
- Advocates legal and regulatory reform at national and international levels
- Designs practical tools for institutions, individuals and companies wishing to combat corruption
- Acts as a leading centre of anti-corruption expertise in the UK.

TI-UK has around one hundred and twenty individual members and twenty-eight members of the Corporate Supporters Forum. In addition, TI-UK's events are attended by, and publications are distributed to, a wider audience of up to 1,500 people and institutions within the UK. TI-UK is the UK National Chapter of the global NGO Transparency International, comprising chapters in over 90 countries.

Statement of Truth

I believe the facts stated in this witness statement are true.

Signed

Date 31st January 2012