

Murdoch and the Media Committee: a political battle

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The [Media Select Committee report](#) on its phone-hacking investigation is tougher than I expected and very pointed. It is difficult to see why anyone would think well of the Murdochs as media proprietors after reading it. Tom Watson's typically determined bid to push his colleagues into agreeing the 'not fit' line may be more than a piece of rhetoric.

It was clear [more than 18 months ago](#) that this whole issue was deeply political. That could be a good thing. It's about time we had a proper political debate about media policy in this country and we certainly need new laws on regulation. It's good to finally see MPs who previously cuddled up to the Murdochs now following in Watson's wake with open criticism of NewsCorp management failings.

Yet, if it becomes too much of a Party weapon then the whole process of reform might actually be hampered. When it comes to media plurality, free expression and regulation we need a sustainable, consensus solution. Media is not like any other businesses, it has a social and constitutional role.

The whole Leveson process along with various police and parliamentary inquiries has taken us to the brink of real evidence of wrong-doing by Rupert and James, yet it still falls on the side of 'wilful ignorance' and 'lack of corporate governance' rather than direct complicity. Those phrases are damning enough and should make any future formal 'fit and proper' test rather awkward for NewsCorp.

But if the Media Committee is going to start making sweeping judgements on corporate governance then this may raise an interesting precedent for politicians to intrude into affairs which used to be left to regulators and judges. I am not entirely comfortable with that and, in that sense, I wonder if Tom Watson's 'not fit' line has over-reached and may even backfire.

You can listen to an interview on ABC radio with me giving detailed reaction to the Committee report [here](#)

Here is a condensed version:

The fact that Tom Watson and his Labour colleagues voted for this, but the conservatives on the same committee did not, means this is now a very partisan issue.

This is now the headline; this is the – 'not fit' is the headline in the UK and across Europe and in America. Those are the two words that people are listening to first. But News Corporation have a point here, which is there isn't direct evidence that shows that Rupert Murdoch or James Murdoch knowingly allowed this stuff to happen. It's much more a question of the fact that they didn't do enough to govern their corporation to stop this happening. So what Tom Watson and that committee now are doing is, if you like, saying because you didn't do something you're not fit.

It is awkward for the Conservatives. I don't think that Rupert Murdoch is somebody you want to be seen to be defending, although I think the conservative MPs on that committee, had a point; that they hadn't seen direct evidence that meant that they could say that Rupert Murdoch was directly complicit.



We're seeing David Cameron in a sort of dance of death now with Rupert Murdoch. As Rupert Murdoch's reputation continues to plummet over here, increasingly people are linking it to David Cameron. There was Andy Coulson, former News Of The World editor, who became David Cameron's press adviser; there was the friendship with Rebekah Brooks; there were the meetings with Rupert Murdoch.

Now, it's not necessarily that David Cameron was particularly more friendly than other politicians, like Gordon Brown or Tony Blair, but he is the prime minister and he does seem to have shown, at least, questionable judgement on his associations with people who are now implicated in this scandal.

Phone hacking is, for most people, down the agenda of unemployment, price rises, incomes going down, that's the kind of things real people worry about. But it does play into an idea that David Cameron is a bit out of touch, he's an old Etonian who like his rich chums. And that is I think damaging to him in terms of his image and in terms of public perceptions.

I've always said that we've not seen the silver bullet: the email that has linked James Murdoch or, indeed, his father, directly to the criminal activities or the other dubious activities; not directly. But you have to ask yourself, 'look, you're either at fault because you knew it was happening or I'm afraid you're at fault because you ran that company so badly that these very serious things were going on; lots of money was being spent in your name for nefarious activities, and you're telling us you didn't know?' In that case, shareholders will be asking, 'why didn't you know?'

Overall, we have to remember that the phone hacking scandal was about one newspaper within a newspaper group in Britain which is only a very small part of News Corporation's overall business interests. And that television and their film interests are much more important than even their celebrated News of the World, which was Britain's most popular newspaper. So we have to get it in proportion.

But the money people, they'll be worried about the reputational risk. What will really hurt is that, for example, the proposed merger, the full merger with BSkyB, which would have been an enormous money spinner for Rupert Murdoch, is very unlikely to go ahead; and that the regulatory authorities in places like Britain now have a very good excuse to say, 'actually Rupert, no'.

I think it has shown, it's accentuated the way that the Rupert Murdoch empire and people like Les Hinton, who was supposed to be the trusted lieutenant are now divided. And they're now indulging in this war of words. And the MPs are trying to push this forward; they're trying to say, 'well come on, both of you, put up or shut up.'

It's been much deeper than we ever thought. This was originally, we thought, a very specific scandal around two journalists who were jailed for hacking Royal phones. And it has turned into an enormously wide-ranging enquiry with police – which is going to go on for years probably, and it's costing tens of millions of pounds of police money to investigate this properly.

And you have the various parliamentary inquiries and then the Leveson Inquiry, which has had a very broad brief which goes way beyond the press. It goes into the police and it goes into the politicians.

So this is the most extraordinary stone turning that we've ever had around the way that politics is conducted in Britain. It's probably more important than the whole scandal of MPs' expenses. And I think it will – we will see a new regulatory system for the press, which is very important because you have to remember how powerful the press is in British politics.

We're also seeing a new sense of accountability around politicians. You know, what was their role in this? What did they get out of it?

So it's not more important than the economy, that's the real vote clincher in the end – but in terms of the way that politics is conducted, this has really been one of the most important examinations in British society and politics since the Second World War.

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