

ANTI-CORRUPTION HELPDESK

PROVIDING ON-DEMAND RESEARCH TO HELP FIGHT CORRUPTION

GOOD PRACTICES TO ENSURE TRANSPARENCY AND INTEGRITY IN MEDIA COMPANIES

QUERY

Could you give examples of good practices to ensure transparency and integrity in media companies?

PURPOSE

We are planning to carry out a sectorial diagnostic of the media sector and subsequently produce a guide to good practices in transparency and integrity in the media.

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Date: 20 May 2016

SUMMARY

Funding shortages, growing undue political and private influence, and the oppression of journalists worldwide pose enormous challenges to the media, potentially undermining its capacity to carry out its core democratic functions in a transparent and credible way.

There is limited analysis available of media integrity. Scholars and activists have identified the most pressing issues risking pluralism and integrity as: the lack of media ownership transparency, especially the lack of information on media companies' beneficial owners; non-transparent financing; and the substantial increase in non-transparent use of both state and private advertising.

Advocacy and campaign actions on these topics, as well as other corruption risks, remain limited, and awareness of media integrity risks, both among stakeholders and the public, is low. However, promising developments include the successful advocacy actions to promote efficient adoption and implementation of media transparency ownership rules and the creation of databases of media ownership structures. International journalist networks and civil society have put significant effort into raising awareness among journalists and media outlets of corruption risks and have campaigned against paid-for journalism, non-transparent advertising and bribery in the sector..

1 INTEGRITY RISKS IN THE PRACTICE OF MEDIA COMPANIES

The media sector has always played a key role in promoting good governance, transparency and integrity by exposing corrupt acts and holding governments worldwide accountable for their promises. In a recent and major case, the “Panama Papers” demonstrated the huge impact journalists can have when investigating and exposing wrongdoing, such as tax avoidance and corruption.

Yet, there are growing concerns about the efficiency of journalists and media companies to fulfil their fundamental role as the “fourth pillar” in an independent and pluralistic manner due to increasing threats to the integrity of their work. In this context, scholars refer to the concept of “media integrity” as the ability of media companies to fulfil their main role of serving the public interest and democratic process, protecting it from internal institutional corruption, economic influence, conflicting dependence and clientelism (South East European Media Observatory 2014).

According to the Transparency International’s Global Corruption Barometer of 2013, interviewees globally gave a significant 3.1 points out of 5 to the media sector, where 1 means “not at all corrupt” and 5 “extremely corrupt”. In four countries – UK, Egypt, Australia, New Zealand – respondents believed that media is the sector most affected by corruption.

Debates over growing corruption risks in media companies have stayed mostly away from the broader public’s attention but were brought to light in a few isolated but highly resonant scandals exposing the influence of economic or political power elites on media companies’ work (see for example [the case of the Telegraph and HSBC](#)).

According to the Ethical Journalism Network, “there is a crisis of confidence inside newsrooms caused by crumbling levels of commitment to ethics, a lowering of the status of journalistic work and a pervasive lack of transparency over advertising, ownership and corporate and political affiliations” (Ethical Journalism Network 2015).

It is argued that especially large media companies have too often operated in an unaccountable manner

and have only depended on their will to pursue public interest as self-regulatory bodies have proved to be inadequate in their monitoring role (South East European Media Observatory 2014).

While systematic research on corruption in the media sector is still very limited and the focus is mainly on the role of the media in anti-corruption rather than on an analysis of the sector’s transparency, in recent years some researchers and groups have tried to look in more detail into the patterns of corruption and its causes in the media. These studies tried to identify the reasons behind the perceived increase in integrity risks in the sector by analysing transformations in the media in recent years, especially the financial and structural transformations of large media outlets. These often involve non-transparent ownership schemes, the practice of advertising and non-transparent funding. Importantly, there was a growing interest in analysing the phenomenon of corruption in media, not only focussing on the developing world but also in developed countries.

Research shows that media companies operate in an increasingly difficult environment, and their independence is at risk for a variety of reasons worldwide with some factors playing a more significant role in non-democratic contexts and others applicable to the global context.

Restrictive media environments

Typically, in countries where freedom of the press is limited, the media is more at risk of corruption because of undue influence and through working in a restrictive environment. In its [U4 Answer of February 2013](#), Transparency International’s Helpdesk provided an overview of the main factors likely to negatively influence the integrity of the media in developing countries, which are often characterised as having non-democratic contexts.

In these countries, the media often suffers from interference from the authorities in a variety of ways, such as censorship, difficulties in obtaining media licences and lack of access to data, and even attacks or harassment of media practitioners. Such environments can make it harder for journalists to follow ethical standards because of fear or a lack of choices. These restrictions often coincide with a lack

of an adequate or restrictive legal framework regulating the media sector. The 2016 freedom of the press world indicators show a decrease in journalists' space to operate independently in Asia, Africa and the Middle East in the last few years, due, among other reasons, to constricting measures following the global economic crisis and anti-terrorism measures (Reporters Without Borders 2016).

Lack of professional standards and resources

Lack of professional standards, due to limited resources, low quality control, low salaries and technical capacity are also likely to influence the ethical framework of media institutions. Low salaries are particularly dangerous as they can lead journalists to accepting bribes and cause high staff turnover (Transparency International 2013).

Media ownership

The media landscape has undergone radical transformation in the era of digitalisation and the internet. With a drastic drop in sells of print media, an increasing number of media companies and the emergence of other, less formal types of journalism (such as blogging), media companies exist in a far more competitive environment and often revert to alternative ways to attract the audience's attention through methods such as sensationalism, incorporating multimedia material and frantic news-hunting (Ethical Journalism Network 2015).

Against this background, researchers tend to identify media ownership, a lack of transparency in funding and non-transparent advertising as the most urgent and concerning elements in the current debate around media integrity in multiple contexts worldwide.

The ownership of media companies – whether the media companies are state-owned, privately owned, are public service broadcasters or community owned – is perhaps considered to be the most significant factor influencing the independence and integrity of the media, and is one of the most debated issues around contemporary media.

Where most of the media are formally owned by the state, the government may exercise a strong

influence, compromising the neutrality of reporting, both in the developing and the developed world. Examples of influential state-owned media can be found in numerous countries in the Middle East, Asia and Africa.

However, privately owned media structures equally carry significant challenges as both public authorities and private individuals can influence media companies to promote a certain image of themselves, or others or a certain issue for private interest. So-called concentrated ownership is particularly concerning and occurs when the main media companies in a country are owned by one or a few individuals or firms, heavily undermining neutrality and pluralism. Also, due to increased deregulation of the media market since the 1980s, many media companies have merged or have been purchased by larger corporations with the purpose of increasing profit and visibility, hence creating conditions for oligopoly (Shah 2009).

Examples of extremely powerful mass media outlets that own a large part of the media market can be found in the USA, Brazil and the EU. In the UK, for example, around 70 per cent of the national press is owned politically conservative wealthy individuals (Ethical Journalism Network 2015). In Cambodia, the TV media news sector is dominated by four companies who control almost 80 per cent of viewership (Reporters Without Borders 2016). Usually, large media outlets operating internationally tend to increase their revenues due to complex financial structures and company merging, while the national outlets often struggle to survive the new landscape (IRIS 2016).

While the public's attention and the media owners' willingness to start an open debate remain limited, in recent years, institutions and governments such as the European Union, the Council of Europe and OSCE, have increasingly recognised the importance of ownership transparency as a fundamental step to ensure pluralism and democracy (Thomson 2013). To identify risks of conflicts of interest, media abuse or of concentrated media ownership, it is essential to understand who the real owners of the companies are. Moreover, transparency of media ownership empowers citizens to assess the news provided in a more conscious and critical way (Madelin 2015).

The effective regulation of media ownership disclosure remains weak. A 2012 study by Access Info revealed that in the 19 countries assessed, from the EU and outside, the legal framework was mostly insufficient to guarantee transparency of media ownership. In only nine of the countries can citizens find information about the owners of broadcast outlets by accessing information provided to media regulators and company registers. Moreover, disclosing the beneficial (actual) owners of media outlets is not a requirement in most of those countries (Access Info 2012).

In other countries, such as Turkey, a lack of regulation allowed owners of the main media outlets – often powerful business people investing in other sectors – to take control of the market and use it to establish connections with the authorities, leading to an increase in self-censorship (Ethical Journalism Network 2015).

Risks in media funding

Challenges associated with public financing

Public or private financing can equally lead to undue influence and is linked to the issue of ownership.

In many countries the media sector is largely financed by the state through subsidies or advertising, which puts the neutrality and pluralism of the media at risk, as with state-owned media. For example, in some western Balkan countries, such as Albania and Bosnia Herzegovina, state subsidies are often distributed to media outlets which are linked to certain political parties and political elites, with the risk that the entire media market is under the control or influence of a certain political side (South Eastern Media Observatory 2014).

This scenario is often made possible because of a lack of legislative framework to regulate the media sector and, more specifically, due to a lack of funding regulations.

Challenges associated with private financing

Private sector funding of media companies also carries the risk of undue influence on journalism. Although media outlets are mostly state funded,

private companies may contribute financially to media, with a risk of influencing the neutrality of reporting, especially, for example, through giving a certain image of a specific company or individuals or political parties in cases where the individuals have ties with politics.

In countries in transition from autocratic regimes, there is often a risk of unregulated and uncontrolled privatisation, with the main media companies controlled by a few firms or powerful individuals.

Non-transparent advertising

There is limited research on corruption in the media, making it difficult to draw conclusions on global trends (please see the [U4 Helpdesk Answer](#) published in 2013 for a comprehensive bibliography). It is nevertheless possible to analyse the situation in specific regions and a limited number of countries. The main two studies discussed here are those carried out by the Ethical Journalism Network in 18 countries from different regions in 2015 and another one by the South Eastern Media Observatory in five Balkan countries in 2014.

Non-transparent advertising seems to be a growing area of concern for integrity across these countries and regions. Searching for alternative revenues in a highly competitive environment, media companies increasingly revert to agreements with public relations and advertising companies, with many companies relying on advertising as the main revenue entry. When this is done non-transparently, advertisements are not clearly published as such and disguised as editorials or other pieces of news to depict a positive image of a company's product, an individual, a political party or an institution, in exchange for remuneration.

The study published by the Ethical Journalism Network refers to “the elimination in most countries of the invisible wall separating editorial and advertising [which] has created a surge of so-called ‘native advertising’, hidden advertorials and paid-for journalism.”

Non-transparent state advertising – of public companies, authorities or tenders – is increasingly widespread. The research highlights that advertisements are often allocated to media outlets

according to their political affiliation. For example, in Macedonia and Serbia, the government is the largest advertiser, and the analysis of financial transactions revealed a clientelistic system with advertising agencies acting as intermediaries between the media and the state, with political parties affiliated with their preferred agency.

In many countries, non-transparent advertising has become common practice for journalists in difficult financial situations. For example, according to a 2012 report by the Colombian Federation of Journalists, over 60 per cent of Colombian journalists devoted their time to selling advertising. This inevitably affects not only the quality of media coverage but also takes time away from more important investigative work.

Forms of media corruption

Besides non-transparent advertising, corruption instances can occur in the media sector in a number of forms and can be carried out by journalists, editors, owners and other actors.

The most classic and widespread form of corruption is, as in any other sector, bribery. Typically, bribery involves a concession of money or gifts in exchange for publishing a favourable story, writing false information, attacking a certain person or entity or not publishing an unfavourable report (Transparency International 2013).

A growing practice highlighted in the studies mentioned above is “cash for news”, where a journalist or a media outlet is paid systematically in a non-transparent way to publish news for personal interest.

This has become common in countries such as Philippines, where corrupt individuals and media practitioners have developed sophisticated ways of making the payments discreet and can result in a wide range of corrupt news reporting.

Nepotism can also occur within media companies, especially in state-owned media. The state sometimes has the right to appoint staff and officials who can decide to appoint family members or other close figures to positions within state-owned media companies.

2 GOOD PRACTICES TO PROMOTE MEDIA TRANSPARENCY AND INTEGRITY

Research at country level shows that journalists are often not fully aware of the corruption risks in their work (Adeyemi 2013) as the will to comply to ethical standards and transparency can be superseded by other priorities, such as overcoming financial difficulties or surviving in a restricted environment.

Recommendations

Over the past two decades there has been growing interest in highlighting the problems of corruption and, more importantly, in improving transparency, integrity and preventing corruption in the media. A number of groups, led by journalist networks, civil society and ultimately public institutions at national and international levels, have developed recommendations and have started implementing solutions to conduct efficient and transparent work in the media. These efforts have mainly focused on what are considered the most urgent and complex issues of media integrity these days: media ownership, transparency in media funding and advertising, and the integrity of journalists' work.

The following is a list of recommendations developed by groups active in media integrity, including Access Info Europe, the South Eastern Media Observatory, the EU High Level Group on Media Freedom and Pluralism, the Ethical Journalism Network and Transparency International.

Media ownership

- governments must create and enforce legal frameworks enabling transparency of ownership of the media through disclosure to national media authorities as well as to the public of essential information in a clear and easily accessible way
- existing media policies and legislation adoption should be enhanced to ensure avoidance of media market concentration and media capture
- oversight bodies already regulating the media sector should be fully independent and immune from political interference and be enabled to investigate and act upon media ownership
- transparency of influence should also be pursued through the release of information on who is in power in media outlets

Financial transparency and advertising

- governments and relevant authorities, such as media oversight bodies and tax offices, should oblige media companies to disclose their financial information, especially regarding their sources of income.
- governments should put in place adequate regulations, disclosure and enforce limits to public and private advertising
- measures to ensure the sustainable financing of media companies should be carefully planned and discussed in cooperation with stakeholders

Integrity of journalists' work

Media companies play an important role in promoting media integrity as the main stakeholders in this process. Hence, they should become the main drivers of promoting integrity and transparency principles. Some ways of ensuring this may include:

- the adoption or enforcement of internal systems to disclose conflicts of interest and allow complaint mechanisms through a news ombudsman and whistleblowing mechanisms
- the provision of employment contracts that meet international labour standards and which give them the right, without fear of retribution, to refuse any form of work that infringes upon their professional codes or conscience
- the adoption and enforcement of accessible, efficient journalist codes of conduct with concrete policies regulating conflict of interest, gifts and advertising
- providing journalists and staff with adequate ethical standard and transparency training and promoting a culture of transparency and ethics in work environments
- promoting the sustainability of journalism, especially investigative journalism, through encouragement of innovative, efficient and transparent funding opportunities

Examples of best practices to promote media transparency and integrity

In the challenging, changing landscape of the contemporary media sector, the fight against corruption and promotion of transparency and

integrity is a complex task. It is unlikely that there are sustainable ways to reverse the change in the nature of media companies themselves, given their need to find resources and their continued reliance on public funds. However, scholars and activists insist that it is precisely because of the restraining context that it is important to focus on media integrity since the latter is even further at risk.

This section highlights some of the most promising initiatives in promoting media companies' transparency and integrity at institutional, civil society and journalistic levels. Initiatives to enhance journalists' individual integrity is not covered as it is not the focus of this answer.

Best practices by governments and public institutions

At the institutional level, a few countries have had positive experiences in tackling the lack of transparency and integrity in the media sector.

In the European Union, some important progress has been made in advancing ownership transparency due to the advocacy efforts of journalism networks to EU institutions. This led to the European Commission, the parliament and the EU Council to take into consideration recommendations to protect media pluralism from concentrated and non-transparent ownership and requesting member states to promote relevant regulation.

Media regulatory bodies

As far as the role of media regulatory bodies is concerned, the model of self-regulation with the aim to preserve independence has been successful in different countries in Europe. One of the most efficient working bodies, thanks to a strong media regulation system, is in Finland. The Council for Mass Media is responsible for promoting good journalistic practice and can receive complaints from anyone who considers that there has been a breach in good practice, issue a notice to the parties involved and, in certain circumstances, investigate. It also issues policy positions on questions of professional ethics.

Transparency of media ownership

Media ownership disclosure regulation can take

different forms, and some countries have experimented with different solutions. Countries, such as Finland, do not have specific regulations on media ownership, but practice showed that corporate law, self-regulation and a strong democratic culture of transparency and integrity ensured some level of transparency in media ownership.

As the very least, regulations should always make clear what information is required, such as details about final owners or substitutes, the company's key documents, size of shareholdings, domicile of abroad and offshore shareholding companies. The information is usually revealed to a regulatory body and in most cases the media oversight bodies. In cases where a dedicated law does not exist, reporting requirements should be clearly understandable for companies. Reporting requirements should not be too burdensome, especially for smaller media companies.

Austria has been considered as an example of good practice in regulating media ownership. The 2011 Austrian media law allows for anyone to discover the owners of print, broadcast and online material. Media companies are obliged to disclose the information directly to the public and report to the body KommAustria sufficient details of their real owners, including information on all shareholdings, beneficial owners and those with indirect interests and control. According to studies, the provisions have been well implemented and information is available for a consistent number of outlets (Access Info Europe 2013).

In Ukraine, a positive development has been the adoption in 2015 of a new law regulating media ownership. Largely based on recommendations from EU institutions on media ownership, this represents a positive step in the country's difficult media environment as it obliges media companies to disclose details about their ownership structure and the identity of beneficial owners to individuals and entities requesting information through the National Council for TV and Radio broadcasting. The law also bans business entities and individuals registered in offshore economic zones to establish and own broadcast companies and programme service providers. It remains to be seen how the law will be implemented by the government.

Cooperation between public institutions and local media

In the western Balkans, some institutions have demonstrated the will to support and cooperate with journalists and civil society on media integrity. In Croatia, between 2011 and 2016, the Ministry of Culture promoted a series of efforts to support the survival of good quality media from the ongoing crisis, such as a scheme to support non-profit outlets through lottery funding. In Serbia the public Anti-Corruption Council was key in working with journalist activists to provide important information about corruption risks in the media by looking at non-transparent ownership and misuse of state advertising (although the government did not react to these reports as it was hoped).

Civil society and journalist network initiatives

These initiatives vary from advocating for better regulation of the media sector, promoting transparency through media ownership databased, promoting integrity of media staff and engaging with audience.

Advocating for better transparency regulation

Perhaps the most important effort when tackling the issues of non-transparent media ownership and financing is the need to put together strong advocacy strategies and awareness raising campaigns to pressure decision makers to take strong action.

Especially in European countries, advocacy work on media ownership has been intense and successful over the past few years, bringing the issue to the highest levels of EU institutions and making it a priority of the EU.

Organisations such as MediaAct, Access Info and the research work of the Media Policy Project Blog at the London School of Economics have shed the light on the lack of measures in Europe to tackle concentrated and non-transparent ownership.

Research such as that carried out by the Ethical Journalism Network and the South Eastern European Media Observatory cited above is also key in promoting media integrity as the investigative journalism conducted exposes the main issues of

corruption and the lack of transparency upon which advocacy strategy should be built.

Media ownership databases

Although this initiative is still limited to few examples, the creation of easily accessible databases revealing who owns media companies is a promising example of promoting media ownership transparency. In the USA, the Columbia Journalism Review, a group promoting journalism professionalism, created a so far unique database where it is possible to research the country's main media outlets to find, among other details, information on their subsidies. This is called the [Who Knows What Database](#).

In late 2015, Reporters Without Borders announced its [Media Ownership Monitor](#) and has so far piloted it in Colombia and Cambodia in cooperation with local groups. This online tool is aimed to uncover the concentration of media ownership and related conflicts of interest by publishing and analysing data about media companies' holdings and beneficial owners.

Enhancing transparency through audience engagement

A number of media outlets carried out innovative actions in an effort to improve the transparency of their internal editorial processes and decision-making and to engage their audiences further. For example, a Swedish newspaper opened a "chat box" of editors where users can suggest ideas and report mistakes. The German broadcaster ZDF republished its news broadcast online, giving details about editorial decisions on theme selection and allows for interaction between the public and editors. Finally, another German outlet, the Frankfurter Rundschau, carried out a project with an online ombudsman, a renowned German editor who acts as intermediary between the editorial staff and the audience, receiving complaints about press quality. Other examples of these practices can be found in [this guidebook on media good practices](#) by MediaAct.

Organisations working on media integrity

Below is a non-exhaustive list of international organisations focussing on issues of media transparency, integrity and ethics.

[Access Info Europe](#)

A Spain-based civil society organisation fighting for the right of access to information worldwide. It was one of the first organisations researching and advocating on issues surrounding the lack of media ownership transparency regulations in the EU.

[Centre for Internet and Media Ethics \(CIME\)](#).

A Swedish registered independent group providing training and workshops on media ethics worldwide.

[Ethical Journalism Network](#)

A 2013 formed coalition of international and regional media organisations aiming to conduct campaigns for ethics, good governance and self-regulation across the media sector.

[Ethical Journalism Initiative](#)

A Belgium-based programme of the International Federation of Journalists, aiming to raise global awareness on media integrity, transparency and ethics.

[South East European Media Observatory](#)

A coalition of NGOs with journalistic backgrounds focussing on campaigning and advocacy of media integrity, financial and ownership transparency in the western Balkans.

[High-Level Group on Media Freedom and Pluralism](#)

This EU-focused group was created through the support and initiative of the European Commission's Digital Single Market programme. The group provided comprehensive recommendations which EU institutions have used to build relevant media ownership transparency actions.

[MediaAct](#) is a comparative research project on media accountability systems in EU member states as indicators for media pluralism in Europe.

[Open Society Foundations – Independent Journalism Programme](#)

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