The Leveson Inquiry: There’s a bargain to be struck over media freedom and regulation

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Regulation, Regulators, and the Crisis of Law and Government

This programme examines the regulatory system in the wake of the global financial crisis, assessing its current weaknesses, the role of legislative and judicial bodies, and identifying measures for future reform of both markets and regulatory regimes. It aims to shed light on the recent failures of regulators, often captive of the very industries they are meant to regulate, and examine ways to improve the accountability and effectiveness of the regulatory system.
Executive Summary

- The Leveson Inquiry into the culture, practice, and ethics of the British press was triggered when the phone-hacking scandal’s full scale became clear in July 2011 and closed the News of the World. But the inquiry has gone much wider than that, hearing evidence about accuracy, fairness, privacy, regulation, and law.

- Much of the debate in and around the inquiry has focused narrowly on possible improvements to the much-criticized system of self-regulation for the press. This policy brief argues that a broader look at the relationship between the law and regulation would suggest that there is a bargain to be struck.

- A balanced outcome from the inquiry could both strengthen the legal defences for good journalism done in the public interest and create incentives for regulation which does not rely on statutory backing. Both the law and regulation must make more use of an effective public interest test.
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The Leveson Inquiry into the culture, practice, and ethics of the press in Britain has turned out to be a cathartic moment in the country’s public life. The questions the inquiry has posed reach far wider than the phone-hacking scandal at the *News of the World* which triggered its creation in the first place. The inquiry, which has been running for five months at the time of writing (March 2012), has already done one thing which such a high-profile public inquiry can achieve before it even recommends anything: to release pent-up tensions by putting into the public domain large quantities of evidence not previously available. The inquiry has also focused attention on media policy issues such as privacy, regulation, and accountability which have been muffled or dormant for a couple of decades. The inquiry performed valuable services well before it had even finished taking evidence in its first phase, let alone reported.

This policy brief attempts to piece together the principle elements of an answer to the over-arching question which Lord Leveson underlined at the start of his work: 'Who guards the guards?' The question of whether journalists are accountable and to whom and how is delicate in any open democracy since it requires the reconciliation in both principle and practical machinery of two conflicting ideas: journalistic freedom to report and publish on the one hand and the accountability of those who report and publish news on the other. The key to effective reform lies in rebalancing the relationship between values, culture, law, and regulation.

**Context**

Lord Leveson’s inquiry was given much of its drama and relevance by two long, slow changes, neither of which concerned phone hacking. If the phone-hacking scandal had not exploded as it did in July 2011, it is probable that these accumulating pressures might have sooner or later brought about a public debate of the kind which Leveson has inaugurated.

The first shift was gradual disillusion with the system of self-regulation governing the conduct of newspapers. The performance of the Press Complaints Commission (PCC) had been the subject of increasing criticism for being both naïve and unduly dominated by powerful newspaper groups. (It had nevertheless acquired solid respect from regional newspapers and magazines and inspired many imitators outside Britain.) By 2011, the PCC was widely regarded not as a regulator but as a complaints mediation body. Many of the PCC’s critics saw the root of the trouble in the sidelining of the important recommendations of the Calcutt inquiries of 1990 and 1993. Disillusion with self-regulation was not the only ingredient in the disenchantment with what was seen as the lack of accountability of at least some newspapers. The lack of prosecutions for contempt of court during the Labour government of 1997–2010 was widely criticized and in stark contrast to the action of the law officers of the coalition government formed in 2010.

The second shift was the broader changes in communications technology which have triggered several waves of innovation not just in news media but in all human communications in wired societies. Quite apart from anything else, this makes ‘the press' hard to define. A number of witnesses at the Leveson Inquiry have spoken as if ‘the press’ was the dominant medium for news as it was fifty or sixty years before. Lord Leveson himself did not seem to be under this mistaken impression, more than once describing the internet and its effects on journalism as ‘the elephant in the room’.

The rules and laws which affect journalism in the future must take account of the radical changes which continue to affect how people learn about the world.
and about news in which they are interested. Between 35 and 40 per cent of news consumers in the UK use the internet for news (OECD, 2010); 8 per cent rely on online as their ‘main’ source of news (Ofcom, 2010). But these numbers grow steadily and can be expected to rise much further in the future. There is unmistakable evidence that young people read fewer newspapers. The borders between different news media, once clear and formed by different technological platforms, are vanishing. Anyone can ‘publish’ news to audiences which can become very large very quickly. News no longer has to be received in packages in print (newspapers or magazines) or broadcast (regular bulletins). The choice of news sources had massively expanded even before the arrival of the internet. That proliferation and fragmentation reduced audiences and readerships. Newspapers are now only a part of the range of platforms which obtain and publish news. The world in which a small number of television channels and a handful of national newspapers set the agenda of the national conversation is long gone. The ‘public sphere’ is now a diverse collection of overlapping spheres of fluid shape and varying size. The means to capture, distribute, and exchange audio-visual material has never been simpler or cheaper. The ability to distribute material considered private has been enhanced.

Given that journalism now takes place as a particular activity amid myriad electronic exchanges of information, it is worth defining what that activity is for. I would argue for this definition: journalism is the systematic establishing of the truth of what matters to society. There are four activities which form the ‘core’ of journalism: verification, sense-making, eyewitness recording, and investigation (Brock, 2010a). News publications, channels, and platforms will of course contain a great deal of other material which does not fall inside these categories. Significant disclosures will be made to the public by people who have not the slightest interest in definitions of journalism or the public interest. But given the changes brought about by digital means of communications, journalists have to be prepared to define the activities which are valuable and important enough to deserve legal latitude or protection. And they have to be prepared to make the case to wider society for that privilege.

Regulating different platforms

Previous inquiries into ‘the press’ during the last sixty years were able to assume that the press was easy to identify and define and took a dominant role in the media of the day. Neither of these assumptions is any longer secure. The question is worth asking: what justification any longer exists for a separate regulatory regime for newspapers and their websites? Are the websites part of the ‘press’ or, with audio and video on the sites, broadcasters? Or have all news publishers converged and can be regulated with the same set of rules?

A basic difference exists in that broadcast regulation is enforced by the ultimate threat of licence withdrawal. It is also argued that the one-way nature, power, and reach of television make stricter regulation appropriate. There is a further advantage in separate regulation, less frequently considered. Given the costs associated with meeting the requirements of broadcast rules, extending (say) Ofcom regulation to print and online media would have the negative effect of preventing small, new organizations entering the market for news, and hampering innovation. In the context of the pressures on the business model for printed news, this would be a very steep opportunity cost.

More generally, the mixture of statutory broadcast laws and self-regulation for newspapers also preserves a wider range of routes through which controversial but important information can become public. The phone-hacking revelations themselves would not have been as ‘remorselessly’ pursued by the BBC, as the BBC’s chairman acknowledged recently (Patten, 2011). This does not mean that the BBC does not do excellent and ground-breaking journalism, but that stories likely to provoke the kinds of fierce and polarized controversies which still surround the determined pursuit of stories such as phone hacking are less likely to be considered as viable projects by public service broadcasters. The revelation of the details of MPs’ expenses likewise involved the newspaper concerned in taking and managing legal risks the BBC, or any other broadcaster, would be unwilling to undertake.

These arguments for separate press regulation are decisive at present. But convergence of publishing platforms is likely to weaken these arguments over
time. City University London has supported an attempt to work out how the various ways of regulating news media might, eventually, be converged (Fielden, 2011). That analysis turns on the ideas of public service and public interest. Regulation can only be made to work better if both the regulator and the law make better use of the idea of public interest and apply it to journalism with greater consistency than happens at present.

Public interest

There are three schools of thought. One says that questions of public interest justifications for journalism beg inherently insoluble questions and that journalism’s first and only duty is to the truth. Editors may have to make publication decisions influenced by law or regulation, social or commercial considerations, or those of conscience; but journalists are wasting their time in constructing elaborate arguments to demonstrate their value. The only question which matters must be is it true? (Parris, 2011).

The second school of thought aims to render the ‘public interest’ issue irrelevant by taking what might be called a consumer-led approach. The pithiest version says that whatever the public is interested in is in the public interest — estimations of value are not ones for publishers, let alone lawyers or regulators, to make.

The third approach takes as a starting point that a democratic society functions better if well informed. This belief, while widely held, suffers from two disadvantages. The public gain from free circulation and expression of news, and opinion is diffuse and hard to measure. Works of political philosophy discussing democracy make little mention of the value of the free flow of information in a society. The second disadvantage is that the general principle begs large questions over what information is valuable and how it is best circulated. The more fragmented and varied the beliefs and values of a society become, the harder these questions are to answer. Definitions tend also to shift over time. Because the idea of public interest is indisputably elastic and elusive, lawyers often do not welcome its use.

But a debate and better working definition of public interest is indispensable and unavoidable. Not everything calling itself journalism is entitled to a ‘public interest’ defence or protection. News publishers on any platform may distribute many kinds of material but cannot, simply by virtue of being established, claim that all they do enjoys the protections available to journalism in the public interest. The only viable way of separating what is worth protecting from what does not deserve such protection (but which may well be very popular) is a public interest test. It is disappointing that the recent House of Lords inquiry into investigative journalism (2012) did not call for legal reform in this area.

Definitions of public interest tend to take the form of ‘shopping lists’ which specify subjects or areas of inquiry which may justify intrusion, subterfuge, or a degree of legal latitude. This is understandable, but unduly narrows the field. A full version of what public interest should mean in law or regulation requires a broad introduction which entrenches a preference for disclosure.

The basis for a revised working definition of public interest in law needs to be broad, combining:

1) Lord Denning (on fair comment): ‘Whenever a matter is such as to affect people at large, so that they may be legitimately interested in, or concerned at, what is going on; or what may happen to them or others; then it is a matter of public interest.’ (Denning, 1969)

2) Lord Nicholls: ‘(The press discharges vital functions as a bloodhound as well as a watchdog.) The court should be slow to conclude that a publication was not in the public interest and, therefore, that the public had no right to know; especially when the information is in the field of political discussion.’ (House of Lords, 1999)

The broad definition of public interest needs three elements:

3) To engage the interests of a collective entity, a community small or large, beyond a single individual;
4) The advancing of some benefit or the prevention of harm;
5) A presumption in favour of disclosure and free flow of information and a reluctance to limit communication.
If those elements are in place, more specific indications are possible, but the list will always be non-exhaustive. Those that are useful are:

6) Disclosing information which allows significantly better-informed decisions to be made;
7) Preventing people being misled by statements or actions;
8) Informing public debate;
9) Promoting accountability and transparency;
10) Exposing or detecting crime, significant anti-social behaviour, fraud, or corruption.

These examples draw on similar lists drawn up by a number of bodies in, or dealing with, the media.

Problems of regulation

The public interest test is central to the linked proposals of this policy brief. If that principle is accepted, the issue of journalistic accountability turns on two questions:

1) Some rules and laws will always surround news publishing. What is the best form of investigating and adjudicating alleged breaches of the rules?
2) How are incentives inside newsrooms best created to lower the likelihood of breaches of the rules?

Most answers to the first question involve building a better system for regulation or self-regulation. All suggestions of this kind that I have seen involve (or imply) the creation of statutory backing for new powers. These powers are either to compel publishers to enter or pay for a regulation regime or to provide powers to investigate possible breaches of the rules and to enforce sanctions, perhaps including fines. Most of these schemes do not amount to ‘government regulation of the press’ but they nevertheless require statute-backed powers to be effective. Such a scheme is quite imaginable. But this route is fraught with underestimated difficulties:

1) In the online era it is extremely difficult to draw and then impose a definition of who or what is a publisher of news or journalism. One proposal suggests that publishers who refused to cooperate would lose their VAT exemption. If that is feasible under EU law, it would hardly be uncontroversial or deal with online news publishers.
2) A system with investigative powers (held to be necessary as a remedy to the perceived weaknesses of the PCC), would adjudicate and impose sanctions including compulsory corrections and/or fines. That would more closely resemble courtroom procedure than anything which currently exists. Any procedure which strays into that territory runs the risks of becoming more expensive, detailed, and complicated than at first intended. Is there not a substantial risk that such a well-intentioned reform might be an over-reaction which creates something slower and more burdensome than is actually needed?

3) The process of hammering out the agreements necessary to make this work and, if necessary, enforcing its creation may be needlessly adversarial. At worst, a new system along these lines might be imposed without the approval of publishers. A government could legislate to overcome that obstacle, but it would be a large disadvantage and would affect the running of the system.

4) Even if the new or revamped regulator is an independent body, this system would be imposed from outside newsrooms and rely for its effect only on the coercive power of the new institution and the enforcement of its rules. It would probably work, but without the advantage of true incentives to avoid collisions with rules.

Law and privacy

It should be possible to arrange the relationship better between the regulators, the law, and news publishers. In particular, that relationship could be designed to provide a workable incentive to improved journalism standards. The reform suggested here has two interdependent elements: revision of the law combined with incentives for all news publishers to meet higher standards.

Many laws which affect the news media have incomplete or inconsistent public interest defences (Bailin, 2011). Work is already advanced on a comprehensive revision of the defamation law and current proposals include such a rewritten defence. The Data Protection Act includes a (rarely used) public interest exception. The new legislation on the prevention of corruption contains none. The Director of Public Prosecutions has said that
guidance about public interest defences will be issued and that reassurance should be welcome to the news media. Serious journalism would be best served if these defences were strengthened and also clarified in the law itself as outlined above.

In particular, such a defence would be integral to a new privacy law. Such a law may worry editors, but they should reflect on potential advantages which might flow from a better drafted one. The present law, requiring the conflicting demands of Articles 8 and 10 of the Human Rights Act (HRA) 1998 to be ‘balanced’, is too broad and vague to produce either consistent judgements or a guideline which can be readily understood by reporters and editors. It is quite possible that privacy cases not involving the media may make this more urgent in the future: concerns are growing over the capture, storage, and potential misuse of digital images and information by private individuals and organizations as well as by public bodies. New risks may require new boundaries.

A new privacy law, which would extend and clarify the developments since the HRA, would have to define in greater detail how a justification for privacy can be established. It should allow for greater damages than in present arrangements, particularly in the case of sizeable companies found liable. Damages should be allowed to a limit of £250,000.

The case made in the Calcutt reports of 1990 and 1993 for clearer privacy law seems stronger today than when first made. The following list is not exhaustive. The new tort would need to specify privacy protection (and potential redress) for individuals who had not sought public roles or publicity, for children and vulnerable adults, for relatives of those in public life, and from undue harassment. The public interest defence would allow a news publisher to argue that the information sought or published advanced public knowledge. If the law was more specific and the penalties higher, press behaviour would change.

Further, the public interest defence would not protect any and all reporting of the private sexual or marital affairs of even public figures. The present requirement to balance freedom to publish and privacy does not require — as a new law should — a connection to be established between private behaviour and the public role. An assumption that it is or could be connected in the case of a government minister or the head of a major bank seems plain. The connection seems less clear in the case of a footballer, however prominent. Many editors do not take this view, arguing that all evidence of hypocrisy should be disclosed in the public interest and that new protection will be misused.

The competing claims of privacy, disclosure, and public interest should be subject to full public debate. The best way to trigger that debate is to embark on the admittedly difficult drafting balances required. Lawyers argue that such drafting to improve on the present state of the law would be impossible, citing divided judicial opinion in several different courts in cases such as *Campbell v. MGN Ltd*. But there is no way better to protect the privacy of individuals who have neither sought nor deserved exposure which doesn’t claim a public interest justification without the deterrence of a more discriminating law.

Revising public interest defences in civil and criminal law affecting the media and creating a new privacy tort would be pointless unless access to legal remedies can be improved. There exists a small reform movement attempting to achieve greater speed and lower cost in defamation law (and the proposed new statute makes changes in this direction); these ideas could be extended to privacy cases (Brett, 2011). There is a strong body of opinion arguing for a stronger regulator which sounds as if it will closely resemble a quicker, less costly court. In short, two sets of ideas converge. Newsroom culture will be more effectively influenced by a combination of law and regulation rather than by concentrating on the latter. But access, speed, and lower cost are essential to either change. The coming recommendations of the Leveson Inquiry are the best opportunity to have occurred for many years to stimulate and effect reform in this important area.

**Self-regulation inside reformed law**

These legal reforms cannot be made effective without the second element of the package proposed here. The public interest defence reforms
proposed need to be drafted so that the strength of a public interest defence depends not merely on the justification advanced but also on the publication’s ability to demonstrate the integrity and standards of its editorial operation.

The laws would only need to outline in broad terms what kinds of indicators were sought. The key is to provide an incentive which would encourage publishers and editors to take as much advantage as possible of (revised and extended) public interest defences by passing the tests built into those exemptions.

The broad incentive in the law would be designed to encourage self-regulation by news publishers who would hold themselves to standards such as:

- The reader’s ability to assess the sources and evidence for the journalism (surprisingly few newspaper websites make it routine to link to disclosable sources);
- The openness, transparency, and responsiveness to complaint or correction; an independent organization supervising these agreed rules might be empowered to list and publicize infractions, corrections, or details of investigations;
- Rules by which editors and reporters work and the ways in which they are operated and enforced. For example, are these rules incorporated in contracts for either staff or contributors? (Brock, 2010b);
- The quality of internal staff training;
- The level at which decisions are made on the use of techniques such as subterfuge and the safeguards with which such choices are made;
- Records of important decisions or evidence and retention of materials;
- Disclosure of potential conflicts of interest.

This list is underpinned by the assumption that if journalism in the future is to be recognized and respected as having an identifiable and useful function, its audience will need benchmarks by which to judge and trust that claim. They can only do that if the claims are, to the largest extent possible, visible and open to be assessed. But editors and publishers would not be compelled to enter these arrangements. They could choose to run larger legal risks by not doing so.

The procedural side of public interest defences — what publishers need to be seen to do in order to qualify — should suggest editorial standards supervised by an independent third party. Publishers would support, in their own legal interests, a collective scheme to frame and check on good procedures of the kind listed above. That could quite easily be a fresh version of the PCC. It is difficult to imagine the PCC going out of existence since its mediation and adjudication machinery is so valued both by magazines and the regional press. If news publishing organizations chose to enter into contracts with the regulatory body to allow supervision and sanction, so much the more effective (Hunt, 2012).

The details of the extent to which different publications cooperated with others would evolve over time. But the key is that developments would be driven by the need to strengthen the newsroom’s defences when facing cases in court. All editors are risk managers, sometimes taking decisions involving large risks very fast. An editor expecting to face a writ, as most newspapers do sooner or later, would have a strong incentive to ensure that the newsroom had visible rules and that they were enforced. These proposals hinge on that connection and its potential for limiting unethical behaviour.

Try re-imagining history as it appears to have unrolled at the News of the World. The newspaper was frequently testing the limits of the law and sometimes sued, sometimes over stories with strong public interest justifications. If legal action had been begun over a story with a public interest defence available, that defence could only succeed if the newsroom’s internal discipline could be shown to be working. An editor and senior executives would have the strongest possible reason to make rules that would meet a court’s test actually work. Would phone hacking have flourished in that altered newsroom culture? It seems very unlikely.

**Conclusion**

There is a wider context to the debate at the Leveson Inquiry about regulation, law, and newsroom culture. Digital communications alter many facets of our society. The oligarchic power of news publishers and broadcasters in the second half of the twentieth century was based on the capital cost of printing and distribution and the government-controlled
allocation of broadcast licences. A large and growing proportion of the population now has the power of much wider choice in how to learn about what is happening.

In the pre-digital age, journalism was something prepared behind a curtain and revealed only at the moment of publication. Journalists brought up in that era have difficulty adjusting to the fact that the process of creating journalism is now much harder to keep private. Public curiosity about how news is made and the public’s ability to discover the details of the process have both increased. It is possible to see the phone-hacking scandal which killed off the News of the World — a story which itself was uncovered by another newspaper — as a symbol of the change from journalism as a private, secretive activity whose results were only disclosed at the end to something much more open to inspection.

There is a bargain to be struck between the news media and the society which it wants to inform, and it should involve both statute law and self-regulation. If journalism has to re-justify itself as an activity with value in an era in which anyone can claim to be conducting journalism, journalists have to get used to the idea that they and their work will be more transparent and open to evaluation from outside. That greater openness should be balanced by a more robust acknowledgement in the law that public interest exceptions can be, and should be, defended. There are aspects of journalism which can justify secrecy (the preparation of investigative stories and confidentiality of sources would be examples), but a greater degree of openness is the price which journalists have to pay if they wish to avoid systems of regulation liable to chill or discourage good journalism.

**Notes**

1. Including Ofcom, the BBC, the PCC, the National Union of Journalists, and the Information Commissioner’s office.

2. I have seen suggestions for an Office for Press Regulation and Adjudication, a Media Standards Authority (MSA), a Press Standards and Mediation Commission, a News Tribunal, a Media Standards Board, and a News Publishing Commission. The proposal for an MSA, drafted by Hugh Tomlinson QC for a group convened by the Reuters Institute for the Study of Journalism (in which the author took part), is the closest to the proposals here.

3. The general idea of a ‘bargain’ was first floated by Alan Rusbridger, Editor-in-Chief of the Guardian, in the James Cameron Lecture in 1997 and discussed again in his Sampson and Orwell lectures in 2011.

**References**


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