

Impartiality Review Team

By email

23 February 2007

Dear Sir /madam

Re: BBC Impartiality review

In response to Sir Alan Budd's letter of 5 February 2007 requesting a response to this review by today, I am replying on behalf of my Chief Executive Mr John Taylor.

Acas does not have an extensive response to make. However, we have found BBC journalists always to be objective in their dealings with us and the resulting coverage to be balanced. In short, we believe the high standards of the public broadcast service are being maintained.

Coverage of large national disputes appears strictly neutral – something that chimes very closely with Acas' own stance on such occasions. Notable recent examples include British Airways and Gate Gourmet.

Perhaps most notable was the BBC dispute in 2005, where its own staff were threatening strike action. On that occasion, Acas played host to a 24-hour negotiations marathon between BBC management and unions.

Camped in our foyer were several BBC news teams, who treated the entire affair with a remarkably detached professionalism. This was both in their broadcasts and in the general banter which we exchanged through the long hours. It left a lasting impression on me.

Acas National
Brandon House
180 Borough High Street
London SE1 1LW
t 020 7210 3613

Helpline
08457 47 47 47
www.acas.org.uk



Please let me know if you need any further information from me to follow up on your enquiries.

Yours sincerely,

Alasdair Frew
Head of Communications

Acas National
Brandon House
180 Borough High Street
London SE1 1LW
t 020 7210 3613

Helpline
08457 47 47 47
www.acas.org.uk

inform

advise

train

work
with you

Impartiality of the BBC's business coverage

Assessment by Birmingham Chamber of Commerce and Industry

Generally, our experience is favourable, with the BBC in the West Midlands showing a high degree of impartiality. However, the coverage of business news, particularly through BBC Midlands Today TV, is fairly sparse. They obviously react to the big business stories (like MG Rover) but they seem to have little interest in business as a generic subject.

On the broader front, there does seem to be a degree of "creative" news editing in some of the national stations. This manifests itself when a programme producer will come up with an angle/idea and pursue it even if it does not stand up.

There have been several examples on BBC Radio 4's Today programme when interviewees were grilled on a story that couldn't be substantiated. This can also be the case on Newsnight but, of course, it is not restricted to business coverage.

Output through BBC Radio WM is far greater and the programmes are very responsive to news items issued by the Chamber. There can, however, be a tendency for producers to impose an angle on an interviewee.

This may be counter-productive and scare potential subjects away. But because most businesses/organisations will be keen to air their views publicly this is often not the case. So in some instances a view may be aired just to stand up the whim of a producer/news desk.

Some of the phone-in programmes can, by their very nature, be impartial because presenters will want their programmes to be controversial. So the impartiality issue can then become a problem. But any denudation would make the programmes unacceptably bland.

Our experience is that the BBC goes out of its way to be impartial on ethnicity. Birmingham is expected to soon be the first non-white majority city and that audience is being fed by the BBC's Asian network, which in our view, is steadfastly impartial.

Although we would regard the BBC's output in this region as being generally impartial in terms of output, there is an imbalance in the volume of business news covered. Perhaps the view of BBC staff is that business is an early morning subject, ignoring the number of potential drive-time listeners who have business interests.

John Lamb
Press and PR Manager
Birmingham Chamber of Commerce and Industry

Impartiality Review of BBC Business Programmes

Response to BBC Trust

British Retail Consortium and Scottish Retail Consortium

The British Retail Consortium (BRC) is the leading retail trade association. We represent the whole range of retailers, from large multiples and department stores to small independents, selling all types of products through town-centre, out-of-town, rural and online stores. The BRC is the parent organisation of the Scottish Retail Consortium (SRC). This response is being submitted on behalf of both the BRC and SRC.

Our spokespeople are regularly interviewed on economic and retail issues for BBC general and business output including: 'Today', 'Wake Up to Money', Radio 5 live, 'BBC Breakfast', BBC1 news bulletins, 'Countryfile', 'Farming Today', 'You and Yours', BBC News 24, BBC local radio and documentaries such as the recent 'Shopping the Supermarkets'.

We watch and listen with interest to coverage of retail issues in general and, in particular, stories involving our members.

Introduction - The BRC welcomes the opportunity to contribute to this consultation. Because BBC programmes play a major part in shaping attitudes to business it is important they are accurate, fair and balanced. We believe this is sometimes achieved but by no means always.

We do not have the resources for extensive monitoring and record keeping but this submission outlines some key concerns and impressions with illustrations that are still fresh in our minds.

Bias against large retailers - We perceive an underlying prejudice that says big retailers, mass-market, low prices, out-of-town premises are 'bad' while small independents, 'local', specialist, organics, high street are 'good'.

The starting point of a documentary series called 'Shopping the Supermarkets' (BBC 1, 12 – 17 Feb 2007) clearly reflects this bias.

Another example arose recently when the Competition Commission published its interim report on the grocery market on the morning of 23 January 2007. This report was widely trailed on BBC news outlets as being critical of the size of major supermarkets and recommending new restrictions on supermarket building. The report, published at 07.00 that day, was actually much more positive about the supermarkets than those predictions. No proposals for any new restrictions were made and no firm conclusions reached on any major issue. To us it felt that this story then largely disappeared from BBC news coverage. What the report actually said was not reported with the same prominence as the anticipated, but erroneous, criticism.

Ninety per cent of the UK population and so 90 per cent of BBC listeners and viewers regularly use supermarkets. Hundreds of thousands of people are employed by them. According to the Office of Fair Trading they have contributed to a real-terms reduction in food prices of seven per cent since 1999 alone.

Food is the only regularly-purchased household item which costs less in nominal terms now than it did eight years ago. Some BBC reporting appears to ignore the benefits the supermarkets have delivered to ordinary consumers in terms of value, choice, convenience and innovation.

Wider anti-business attitude - Several years ago, when the BBC Business and Economics unit was reorganised under Jeff Randall, we were told the BBC believed it had previously been too hostile to business. We were promised that company profits would no longer be reported 'as if a murder had been committed'. But that underlying hostility has not disappeared from some parts of the BBC. Coverage of retailers' results in particular is much more likely to convey the impression that profits are excessive and customers

are somehow being ripped off than that this is a company doing well by meeting customers' needs.

For example we were particularly struck by a comment late last year on '5 live Breakfast' by business presenter Andrew Verity. Having announced a mobile phone company's profits he said, "And if that winds you up....." Even presenter Nicky Campbell sounded surprised by this clear indication of underlying anti-business prejudice.

Failure to balance pieces with retail comment - There is a willingness among some producers to allow interest groups such as farmers and environmentalists airtime in which to criticise multiple retailers without challenge. Our policy is to respond positively to all requests for comment and to participate in programmes, documentaries, studio discussions etc. whenever possible. We rarely decline.

Often no retail response is included. Sometimes the BRC has not been asked (and we assume individual retailers have not either). Sometimes we are asked for interview but presented with inflexible conditions which producers must realise mean we cannot take part and so we are, in effect, excluded.

For example, on Monday 5 February 2007, BBC Breakfast was due to interview yet another dairy farmer saying supermarkets are not paying enough for milk. Rightly, the BRC was asked to provide balance by putting someone up for interview. But we were told this had to be from an outside broadcast in East Sussex or no interview. That is not a realistic request. In the event, this story was held over until later in the week, but we were still not given a practical opportunity to participate.

Selection of retail stories - We believe retailing, especially food retailing, is probably over-represented as a proportion of stories about business on mainstream BBC outlets and that these stories tend to be negative.

Producers' and reporters' enthusiasm for retail stories is understandable. We recognise our industry regularly and directly touches most people's lives. Our perception, however, is that retailers are usually being attacked. We are usually placed on the defensive and, while we expect to be rigorously challenged, we do not feel critics face the same rigour.

Willingness to accept NGO claims as facts – We perceive the claims and 'findings' of some non-governmental organisations, such as environmental, rural-interest and consumer bodies, are regularly accepted as facts rather than being questioned or qualified. In particular the nature and size of survey samples are often not made clear. For example consider the annual 'research' conducted by Friends of the Earth on where supermarket apples come from (country of origin). Last year their press release disclosed that only six supermarkets in the London area had been visited – no others anywhere.

Ignorance and poor research - Some reporters and producers lack background knowledge and have researched their topic poorly. This hinders their ability to challenge interviewees properly and achieve accuracy. We sometimes find ourselves explaining basic facts which are key to a story. For example we contributed recently to a BBC Breakfast package on an Egon Ronay report alleging organic labelling is unreliable. We had to explain mid-interview that labelling legislation on this covers retailers but not restaurants. Restaurants are the worst offenders.

Deliberate misrepresentation - Some pieces not only lack a balancing view but producers or reporters have gone out of their way to support anti-supermarket preconceptions with selective and misleading illustrations.

For example for a package on 'How many food miles has your Christmas dinner travelled?' on 'Countryfile' on 17 December 2006 imported carrots, potatoes and Brussels sprouts had clearly been deliberately sought out by the researchers.

Of course these are on sale but they are far from typical and yet were presented as the norm.

The discussion on this issue with Sustain, the Soil Association and Jules Pretty, Professor of Environment and Society at the University of Essex could hardly be described as balanced. No retailer was, as far as we know, asked to take part. We certainly would have had we been approached. BRC Director General, Kevin Hawkins, participated in 'Countryfile' packages on several occasions when he was a Safeway Director and remains willing.

The validity of food miles as an environmental measure is disputed by several independent third parties yet no one put this view.

In summary we believe an anti-big business, and for us anti-big-retailer, bias is sometimes combined with a failure to balance and a willingness to take critics' claims at face value. Not always, but noticeably often, this produces slanted and unfair coverage of UK retailers, especially the 'big four' supermarkets.

British Retail Consortium, 12 February 2007

Contact: Richard Dodd, Head of Media and Campaigns,
British Retail Consortium, 21, Dartmouth Street, London. SW1H 9BP

FROM: C John Brady

BBC BUSINESS COVERAGE IMPARTIALITY REVIEW

The essence of my submission is that, whilst the BBC coverage is not partial in the sense that it supports one business versus another, it does exhibit a general bias against business that has a profoundly damaging effect on the economy of the country.

Why it does this, I do not know – perhaps because most of the reporters and news managers have never worked in business; maybe because they were brought up to value other professions more; or maybe because it is the fashion. I worry that it is because the BBC and its presenters do not understand business.

I will try to describe the key features of this bias, though I admit that I will fail the test of good evidence, for I have not been systematically collecting it. Perhaps you should view my assertions as hypotheses to be tested against the data you are collecting. I will try also to illustrate why this bias against business is doing real damage to the economy.

THE SITUATION AS I SEE IT

I sense three biases running through the coverage I hear.

Big, bad and nasty

Business seems generally to be seen by the BBC as big, bad and nasty. It is to be vilified, not praised for its success.

For example, as soon as Tesco has become a world beater, it is being portrayed as bad. I apologise if I am unfair to him, but John Humphries in particular gives the impression that he believes that Tesco is almost evil – out to strangle its suppliers, smash treasured small shops and deny its customers the products they really want - and that everything possible should be done to stop it. How it is so popular and how its low prices have transformed livelihoods seem to be issues that deserve no debate.

Makes little contribution to society

Business is also portrayed as contributing little to society. It is characterised as being self-centred and greedy, driven by grabbing bigger and bigger remuneration for its managers. Yet most industry is actually

driven by maximizing returns to its shareholders – pensioners and savings holders - i.e. you and me!

The jobs that business creates seem unimportant. The fact that it is the engine of wealth creation for the whole country – and hence what funds all our public services - seems unrecognised.

Boring

The businessmen interviewed are always asked boring questions unusually about the (under) performance of their businesses, or more often the mistakes or deceptions they have made. The personalities picked are also too often “boring suits”!

Many in business are fascinated and excited by what they do. Why do they get no air time?

The cost to the country of this bias is twofold. It perpetuates the middle-class bias against business and it puts off bright young people who could be helping the economy. Why is it that universities are putting on/young people are demanding lots of courses in media courses that will never lead to jobs, and not doing more business/technology courses that will help them provide for themselves (and help the economy)?

THE COMPLICATION

To see this bias solely as prejudice does the BBC a disservice. I wonder if the heart of the problem is ignorance. Much coverage reports the superficial facts with little real insight.

Why do we have some winning sectors in this country and why are others losers? Why did M&S and Sainsburys stumble a couple of years ago and now seem to be recovering? Why does US industry beat the rest (currently)? Why Gordon Brown goes on about UK “productivity” but cannot improve it? Why are Chinese and Indian businesses now taking over the world?

The BBC commentators seem to have little to say on these issues. Nothing can improve until the BBC/its presenters understand what they are talking about!

POSSIBLE IMPROVEMENTS

Three ideas spring from this assessment.

Educate the presenters

The main way to improve the quality of the reporting therefore must be to educate the presenters. Of course, you may have to replace those with deeply ingrained biases. You could try recruiting businesspeople who can present. But presenting should surely be the primary skill.

Such training should include pragmatic things like: who owns business, what returns it makes (versus putting your money in the bank or the current vogue of buy to let), the profile of typical business people, the mechanics of innovation and business success and failure, how economies develop and thrive/fail, etc. The basics!

(Once it understands, if the BBC still feels business does not have something important to offer, then I acknowledge defeat.)

Find fun insightful interviewees

The perception of business could be transformed by bringing to the public interesting, vibrant businesspeople. (Think of the media analogy.)

What about some of our great entrepreneurs – James Dyson, etc.? What about some of our city slickers – they cannot earn millions a year by being useless? What about some of the more interesting captains of industry – Charlie Mayfield at John Lewis?

Put more balance into the coverage

What about balancing all the negative stories and scandal with positive high impact stories? The impact over time on businesspeople, the public and the economy could be substantial. I realize it is “off piste” for this review, but imagine the impact of a well-presented X Factor for business!

IMPARTIALITY REVIEW OF BBC BUSINESS NEWS, COMMISSIONED BY BBC GOVERNORS

1. WRITTEN SUBMISSION FROM THE CBI

The CBI is the UK's leading business organisation. It speaks on behalf of 240,000 businesses that together employ around a third of the private sector workforce. The CBI's membership includes:

- 80 of the FTSE 100
- some 200,000 small and medium-size firms
- more than 20,000 manufacturers
- over 150 sectoral associations.

No other UK organisation represents as many major employers, small and medium size firms or companies in the manufacturing or service sectors. The organisation is also the UK's official business representative in the European Union, which generates more than 50 per cent of regulation affecting British firms. With offices across the UK as well as in London, Brussels and Washington, the CBI co-ordinates British business representation around the world.

The CBI welcomes the opportunity to contribute to this consultation. The CBI - its member companies and its nationally and regionally based staff - have regular interaction with the BBC in its many guises, from TV to radio and web, local and regional to national outlets, and both specialist programming and general news coverage. It has sought input from senior business members of the CBI, which is reflected in this response.

2. Anti-business bias?

The CBI recognises the professional, impartial approach that the BBC seeks to adopt. Also, that it has protocols and guidance in place for staff to reinforce its importance. However, there is a clear view amongst many CBI members that an in-built bias against business exists within the BBC. It may be that this is less a conscious approach from journalists than a cultural issue. Indeed, former BBC Business Editor Jeff Randall put it that: "It's not a conspiracy. It's visceral. They think they are on the middle ground". His further comment, relating to the start rather than the end of his period at the BBC – that "on the whole, they [the BBC] treated business as if it was a criminal activity" – is also a concern, although the CBI believes there has progress since then.

Members feel that coverage of business issues ranks low down the BBC's priorities, and that the coverage there is can often be trivialised, or triggered by union or pressure group attacks rather than a broader view of business' role in society. If a company achieves large profits a story on the BBC is far

more likely to focus on at whose expense the profits have been made, rather than examining the benefits to staff and society of a British company doing well.

3. Quality of business coverage

The *accuracy* of the BBC's coverage, although considered far from perfect, is generally considered to be better than many of its rivals. Whilst it is recognised that the BBC seeks to set a high standard with its coverage, there are mixed views amongst businesses as to the *quality* of the BBC's output compared to other broadcasters. This is surprising given the level of resources available to the BBC. With these resources, some members felt that the BBC's benchmark should be quality daily newspapers, but that too often this was not the case. Member quote: *"Whereas one would expect BBC coverage to align itself with a broadsheet approach, the reality is that too often it is a cross between the Daily Mail and The Sun."*

4. Context of business reporting

The context in which business stories are placed is a matter of particular concern for CBI members. As reflected above, they consider that coverage of business issues is largely triggered by bad news stories – for example factory job losses, or criticism of a company by unions, pressure groups or politicians. When this is not the case, the story is too often focussed on business personalities or quarterly results, rather than taking a wider perspective.

Member quote: "The BBC is a potent element in our democratic society, with its right to oppose, challenge and hold all sectors of society, including business, to account, crucial. However it should use this power and responsibility more effectively to help the broader public to understand the role of business in society - including the positive as well as the negative."

Member quote: "The BBC seems to want to choose a business item which will have general populist interest, instead of choosing a really top business story in its own right."

The CBI and its members recognise the practical constraints on the BBC. The broadcast format does not lend itself as well as newspapers to feature and opinion pieces that might help place business in its wider societal context, and business stories are not always very visual, which creates difficulties for television news. It is also accepted that the BBC's main news programming has to take into account the nature of its viewer profile, which is not a specialist business audience. Nonetheless, it remains that business does not currently command its place in the news agenda, or the quality and depth in the coverage there is, that its place within and impact on society merits. The CBI believes there is more that the BBC can do, within and without its current

formats, to be innovative in its approach and to reflect a wider perspective of business than it currently achieves.

For reference, a recent speech by the CBI's Director-General on the issue of trust in business is attached. The speech sets out why it is important that business' wider role within society is recognised, and how a changing media has contributed to a decline in trust.

5. Regional vs National

The issues of quality, accuracy and context were raised in relation both to national and more local BBC outlets. Local radio came in for praise from some – BBC Radio Merseyside was noted to have a good level of business news and dedicated business slots, for example. There was some concern about the depth of business coverage on regional TV, and whether the amount of time and resource committed to business reporting regionally may be dwindling. It was discouraging to learn of one regional TV journalist who left the BBC recently, citing his outlet's failure to take business and political stories seriously.

6. Specialist vs general programming

The BBC boasts a wide range of specialised business coverage, from the flagship business slots on Radio 4's Today Programme and regular business slots on Breakfast News and News 24, to Radio 5 Live's Weekend Business, Radio 4's The Bottom Line, and the Business section on BBCi. Although not universally praised by CBI members, these specialist sections are led by journalists with some appreciation of the business world, and are felt to give reasonable attention to the wider context in which business operates. The concern is that this level of depth and understanding can be confined to these dedicated slots, and does not seem to penetrate into general news programming. Similarly, journalists within the BBC's well-staffed specialist business unit are typically liked and respected by CBI member companies, but they are constrained by a news agenda set by editors of the programmes and channels into which they feed.

7. 'Reality TV' shows

The CBI is concerned that the opportunity afforded by the trend towards reality TV shows is not working to the advantage of a wider understanding of business. BBC Two's The Apprentice may be great entertainment but it puts forward a highly unrepresentative picture of aggressive staff management practice that could dissuade talented individuals from pursuing a career within business. Fears are also expressed about Dragons' Den. The degree of aggression encountered by the unwitting and inexperienced entrepreneurs gives business a bad name. The CBI would be very keen to see the BBC explore the opportunities to use this form of programming in a more

constructive way, perhaps through a series of programmes following senior business leaders and their employees during major periods of change in leading UK businesses. The CBI does recognise that obtaining this level of access may not be easy, given commercial confidentiality, but it could secure very worthwhile television.

8. Progress

A number of member companies acknowledged that the BBC had made progress in improving the quality of its business coverage during recent years. The appointment of Jeff Randall as the BBC's first ever Business Editor, with a background in business journalism and a mission to improve the BBC's business coverage – and his succession by another respected business journalist, Robert Peston – are praised as positive moves. This created a stronger voice for business news and more opportunity for it to be fairly reported and to enter mainstream news programming. However it is felt that the impact has been constrained by the Business Editor's lack of final editorial control and the fact that he is 'thinly spread' across all outlets.

9. Business' role

The CBI enjoys a very good working relationship with the BBC and readily acknowledges that companies have a major role in helping the BBC to improve its coverage of business issues - and it will continue to encourage businesses to make themselves more open to journalists to allow a wider picture of their activities to be reflected. The CBI is willing to engage with the BBC to further explore how coverage of business issues can be extended and improved.

CBI, February 2007



**CBI Director-General Richard Lambert's speech to the Social Market
Foundation
on 5 September 2006**

I want to talk about the place of business in society, today and in the future. It is a role that is being increasingly misunderstood, in a way that - left unchecked - will have adverse consequences for us all.

Then I'd like to discuss with you how we can put things right.

My central theme is "*Trust*". There are different ways of measuring what people think about business. I'm sure you have seen the surveys which show that whereas just about everyone trusts doctors and teachers - business leaders are right down there at the bottom of the league table.

Only politicians and journalists are reckoned to be less credible.

And listen to the language of politicians. David Cameron, for example, in his efforts to reposition the Tory party, has gone out of his way to separate himself from what he calls "big business".

Or you can look at the different pictures presented by opinion polls over time. One good example: a long running survey by Ipsos MORI shows that in the late 1970s, nearly 60 per cent of the British public agreed with the idea that the profits of large companies helped to make things better for everyone who uses their products and services.

By 2006, that figure had fallen to 21 per cent, and 53 per cent disagreed with the proposition. That is a fundamental shift in the public view of what business is – and what its profits are for.

So, my three questions for this morning are:

First - what's going on here?

Second - does it matter?

And third - if it does matter, what are we going to do about it?

Of course, business is not alone in this loss of public trust! We live in a cynical and suspicious age. Many other institutions - the monarchy, parliament, the media, the health service - have also had to come to terms with declining public trust.

But the odd thing is that there are several reasons for thinking that business should be *more* - not *less* - trusted today than it was 30 years ago.

For one thing, companies are much more transparent and accountable than ever used to be the case, and corporate governance has been transformed for the better.

When I started off as a boy reporter 250 years ago, it wasn't thought unusual to find company chairmen living in suites in the Savoy at shareholders' expense. Independent directors were, in the immortal words of the late Tiny Rowland, were little more than "Christmas tree decorations". Annual reports were flimsy documents with no segmental breakdowns, and only a couple of lines on compensation.

How things have changed. The average FTSE 100 annual report is now over 130 pages long, up by nearly a third in just the last three years. And Britain's approach to corporate governance has become a model for the rest of the world.

At the same time, the old state-owned juggernauts have been broken up and privatised, and competition policy has been considerably sharpened. Partly as a result of these changes, consumers get a far better deal in most respects today than they ever did in the past. You may remember a time when it took weeks to get a telephone installed, or when you thought you were amazingly lucky to qualify for a mortgage loan from the building society cartel.

Shopping used to be a chore; now for many people it has become a leisure activity. You pop out for the groceries and you come back with designer clothes and a flat screen TV.

And businesses of all shapes and sizes have recognised that in order to create wealth for their shareholders over time, they have to engage on a broad front with society and its values. This notion of corporate responsibility only took off in the early 1980s, triggered by the shock of urban riots. Today it covers a host of community activities by businesspeople everywhere.

It also extends to areas which would have been unthinkable years ago.

Drinks companies funding campaigns to promote "*responsible*" consumption of alcohol.

Pharmaceutical companies supplying HIV medicines at not-for-profit prices to developing countries.

Mining companies supporting environmental groups. And so on.

But despite all these efforts, trust has continued to recede.

SO, WHAT'S GOING ON HERE?

It's not enough to point to business scandals. The sensational business blow ups occurred in the 1960s and 70s without visible impact on public confidence.

It's true that the "*dotcom bubble*" at the turn of the century represented one of the greatest periods of capital destruction in history, but the mood started turning sour well before that date, and the downward trend has not accelerated in recent years.

Instead, the clues begin with the massive changes in the work place that have occurred in recent decades as a result of globalisation, new technology, and much increased competition. Industries that used to employ scores of thousands of people have shrunk and, in some cases, all but disappeared.

Others have prospered mightily, but only by responding to the massive forces of change that have been sweeping through the international economy, and bringing fundamental changes in working practices. Factories and offices have been consolidated, and work has been relocated - sometimes offshore - to places where it can be done more efficiently and effectively.

Ownership has shifted, again sometimes into foreign hands.

These changes have brought significant economic benefit to the UK, in terms of investment, jobs and growth. And unlike continental Europe or the US, they have not led to significant political or employee opposition. The UK's history as an open nation of international traders has taught us that there are big opportunities as well as risks in free markets and open borders.. And the fact is that since the mid-1990s more jobs have been created in the UK than have moved offshore or been lost because of factory closures.

But there have been marked changes in the relationships between companies and their employees all the same. One way of illustrating this is through the story of Pilkington - the world-leading glass manufacturer with its roots deeply embedded in St Helens, Lancashire.

Twenty years ago, it was subject to a hostile bid from a British conglomerate. The company successfully marshalled employee, community, city and parliamentary opinion to back its independence. There were parades in the town and public protests: much passion was spent.

In subsequent years Pilkington continued to prosper, but its personality inevitably changed as its footprint spread around the world, and the North West became a less important part of the business. Earlier this year, it was subject to a takeover from a smaller Japanese glass manufacturer. Unlike twenty years earlier, the board agreed to the deal and this time there was no great public outcry about the change.

Globalisation has in this way loosened the emotional ties between business and society. It has also played a part in another big change in the workplace - the declining influence of trade unions in the private sector.

For the first half of my working life, I was employed in an industry which was effectively controlled by the print unions. There was no scope for innovation and little room for competition.

The main challenge for managers was to get that night's newspaper out on to the streets.

This changed almost overnight, and we can see the results today in a flurry of innovation and competition sweeping through the newspaper industry, along with many others. Managers now have the freedom to manage, in a way that they did not in the 1970s, and this represents a very marked shift in the balance of power in business.

At the same time, two other changes have contributed to a climate of suspicion. One is the result of demographic change, financial market movements and political misjudgements. In a very short space of time, the outlook for private sector pensions in this country has shifted from solid certainty to something much less confident, and greater responsibility is now being passed to the individual as defined benefit schemes have given way to defined contribution.

In addition, there has been a radical shift in the structure of company compensation. Globalisation has helped to push up the pay of senior executives, especially in big companies, as they move over to international benchmarks. In marked contrast to twenty years ago, a significant number of large UK companies are now led by foreigners.

But the same forces have had the opposite effect on employees with basic or intermediate skills, who now find themselves in competition with workers in low cost economies.

There is no doubt that this changing ratio between the pay of the top and the average employee has had an impact on the public view of big business, especially in those cases where high compensation has not been matched by high performance.

And of course executives who retire on high salaries after years of contribution to defined benefit pension schemes are also going to be in line for high pension payments. That too can lead to screamer headlines, as in the business pages this weekend: “Fury over pensions bonanza for bosses.”

This leads on to my final explanation for a changing view of business in society, which is the media. Just as has happened in political reporting, there has been a big shift in the culture of business journalism - away from a culture which is based on access to one which is much more confrontational.

This has brought benefits! People can't get away with things in the way that they used to - but it has been at a cost. Foreign business leaders who come to work in the UK are frequently shocked by the personal nature of the coverage on many business pages. And they are surprised by the rather narrow definition of what constitutes a business story - coverage here is heavily concentrated on listed companies, personalities and corporate events such as profit warnings or takeovers.

The caricature of a “fat cat” chief executive is very much a creation of the last twenty years. Too often, business is presented as a zero sum game. The impression is given that if an individual, or a company, is making lots of money, it must be at someone else's expense. If that has become the accepted view, you can understand why most people today don't agree with the idea that profits help to produce better products and services.

Among other things, this climate provides one explanation for why private equity has had a bigger impact in the UK economy than it has in other countries. It's a way of making a lot of money while staying right off the media radar screen.

It also helps to explain a survey undertaken for BP two years ago, which showed that the British public has significantly more negative views about chief executives than is the case in the US, France or Germany. Whatever their strengths or weaknesses, business leaders just get a worse press here than they do elsewhere.

Well, those are my explanations for the changing public view of business. You may have others. The question is: Does it matter?

I strongly believe that it does.

Let me touch briefly on four areas in which declines trust has damaging consequences for society as a whole.

The first is regulation. As John Plender and Avinash Persaud argued in the Financial Times last month, “A lack of trust leads to higher compliance costs as more business behaviour is subjected to increased legislation and litigation.”

There is no better example of this than the US response to the Enron affair, which is the Sarbanes-Oxley Act, which has imposed huge costs on any business with US shareholders and spreading around the world.

Why is this a problem for society? Let's consider the case of climate change. Business clearly has a continuing part to play in curbing carbon emissions: so does the household sector, which is responsible for nearly half of all such emissions in the UK.

The challenge is to strike the right balance between meeting our treaty and moral obligations to future generations on the one hand while protecting jobs and investment on the other.

If business is not trusted - if it is seen as the villain of the piece - there is a serious risk that this balance will not be struck. Too much of the burden for reducing pollution will be thrown on the corporate sector, and we will all pay the price as jobs and investment shift to more business-friendly climes, with little benefit to the environment.

My second example concerns tax.

From a finance minister's point of view, companies are highly effective tax-raising machines. And they bring two added bonuses: they swing very few votes, and taxes on business can be made to seem invisible and costless to the public as a whole. This would be especially true in a society where business was regarded with suspicion, where people might assume that higher taxes on business meant lower taxes for them.

Of course the reality is very different, because business is the source of wealth on which almost everything else depends. In a world where capital can flow from high tax to low tax economies, the burden of heavy corporate tax is not just born by shareholders (a large proportion of whom represent pensioners anyway). They are also felt by customers, suppliers and - particularly - by employees.

High business taxes cost jobs and hold down wages.

Next on my list are public services. The key question here is the extent to which people trust the private sector to take on responsibilities which have in the past been provided by public bodies - in areas like the health service education, the prison service and so on.

If they have come to the view that the profit motive is not compatible with public services - which is the implication of the views expressed in the MORI poll - then the scope for public private partnerships of all kinds will be significantly curtailed.

That would leave us with two choices. One to reconcile ourselves to the idea that our rising expectations of these services cannot be fulfilled. The other to decide that the state had to provide everything, and to be prepared to pay taxes accordingly.

Finally and in some ways most important, this question of trust will help to determine how the UK comes through what US economist Alan Blinder has described as the third industrial revolution. The first industrial revolution was the move from farm to factory, and the second was the shift around the world from manufacturing to services.

Now comes the third - the information age - when the cheap and easy flow of information around the world will vastly expand the scope of tradable services that can be delivered at low cost over long distances.

We've already seen the start of this process, in the explosion of software businesses in Bangalore and elsewhere. But there is much, much more to come. As a very rough estimate, Blinder has suggested that 30 million or more service sector jobs in the US could be susceptible to off-shoring in the electronic future.

Just as the developed world gained enormously from the first two industrial revolutions, so it will from the third - provided it makes the necessary economic and social adjustments.

The big challenge will be to create the skills needed to fill the new jobs that will emerge in this coming period of transition to replace those that have gone offshore. We will need a step change in the quality and quantity of training available to all the workforce in the country, in which both business and government must play a decisive part.

We will also need to find new ways of supporting and strengthening our comparative advantages through this period of change - in our strong science base, for instance, or in our financial services sector.

What won't work are protectionist barriers. Building walls against conventional trade in physical goods is difficult enough but it is all but impossible to prevent electronic trades. Government could do a great deal of harm to the economy as a whole by trying.

But those of us who believe this argument are going to have to make it with renewed vigour in the coming years - and our case won't be helped if we are dismissed simply as the voice of an unloved vested interest.

So for all these reasons, this lack of trust in business absolutely does matter.

So what's to be done about it?

First, business needs to turn a spotlight on itself to check that its activities are aligned with the changing values and expectations of society.

Here I can't do better than repeat the words of Sir Christopher Gent, chairman of GlaxoSmithKline. He told a CBI conference earlier this year that one of the vital questions to be addressed by corporate boards was:

“How can we help executive management keep our business activities aligned with the values and goals of society?”

He went on: “All boards should look at the way they do business, how their suppliers behave and how they affect communities. They should be concerned about business practices, ethics and integrity. All of these affect all of us, and are matters on which Boards have to deliver.

This vital task has in some ways been made more difficult by all the efforts to legislate and regulate good corporate behaviour in recent years. There is a real danger that a culture of compliance can replace one of ethics, and that a Board might consider its job done if the right boxes had been ticked.

This has to be resisted, at every level, and it's a job for corporate leadership.

Business also has a critically important part to play in explaining its role to society. This is a case for action, not just for better communication. Lots of companies already reach out to the schools system in their neighbourhood, to open the eyes of young people to what business actually does, and to excite them with its possibilities for the future.

More and more of them are also engaging with our universities, a rich source of new ideas and of talent. These initiatives, and others like them, need to be celebrated and encouraged.

And so does the ever-broadening range of support which business is giving to the communities in which they operate.

Politicians also need to play their part - both in championing the role of business as the source of wealth creation, and in recognising the social as well as economic costs of excessive tax and regulatory burdens.

They are going to have to show particular courage in continuing to make the case for the free movement of goods, services and capital.

Protectionist forces are gathering strength in continental Europe and in the US. Here in the UK, we are seeing ugly indications of xenophobia and racism in local politics. As the third industrial revolution gathers momentum, real political leadership will be necessary to help us through rapid periods of transition in the workplace at home, while keeping open the enormous opportunities for growth and development that lie ahead.

Dare I suggest that the media might also be due for a spot of navel gazing? In a past life, I used to groan with despair on the many occasions when the media was cited as the source of all society's problems.

I want to be clear that I am not making that claim today. What I am saying is that the perception of business is important, because that is part of the foundation for public trust. And the question is whether it would be possible and desirable to present a more rounded picture, in which success can be recognised as well as failure, and where business performance is not simply to be measured by the next set of figures from stock market quoted companies, or by the rise and fall of individual executives.

And then there's the CBI, which you will be pleased to hear has an absolutely *enormous* part to play in the challenges that I've been describing.

First, it is critical to remember that we are a membership organisation, that lives and breaths on the financial and moral support of its members. That means, among other things, that we will be just as strident in the future as we have been in the past when it comes to supporting business friendly policies.

There are fundamental choices to be made about how we retain competitiveness for business in this country, and we will be ready to take on politicians of all colours in arguing for a growth economy and a dynamic business sector.

I've mentioned the subject of corporate taxes. The UK is slipping down the league table of international tax competitiveness, and our tax system gets more complicated by the year, in a way that distorts and discourages economic activity. Concern about this is now high on the Board agenda of many major companies. The level and instability of our corporate tax regime is now damaging the prospects for the UK as a place to do business.

It's our job to persuade policymakers that this pattern is not sustainable, and will have adverse consequences not just for our members but for society as a whole if left unchecked. We need an urgent and high level debate with the Treasury on this matter, which has far too long been the Cinderella of our economic policy.

Second big challenge: the CBI is the voice of business, and we must make our voice heard in a constructive and forceful manner on all subjects which matter to our members.

Two immediate examples. One is education and training, where I have already begun to make clear that it is our responsibility to set out robust arguments in what's going to be an important topic for discussion in the year ahead.

Another example concerns energy sustainability and climate change. This is not an easy subject for the CBI to tackle, since our members include producers, energy intensive users and consumer groups, and so have different interests.

But they all have a shared interest in growth and investment, and a strong sense of responsibility towards future generations. So this is an issue we will be addressing very seriously in the months ahead. One way forward is to get a better connection between business action on the environment, and what we do as citizens and consumers. At present we expect business to act, but are we prepared to share the pain ourselves? This is not a cop out for business – indeed the best pressure on business is the pressure of the green consumer. Which brings me to my third point, it's our job to take every opportunity to remind people that business is not a separate vested interest, operating on the margins of society. Its interests are not different from those of the general public.

On the contrary. a healthy business sector lies absolutely at the heart of a healthy society. And society won't work as well as it should if it regards this prime source of its wealth, jobs and taxes with distrust or suspicion.

So our arguments as a business lobby group need to be relevant not just to our members . They also need to be explained in a way that hits home with their employees, their customers and with the communities in which they live and operate.

It's a challenging and exciting mission.

Looking forward ten years, I can imagine two very different societies here in the UK.

In one, distrust of business will have climbed further - and with it, the burden of regulation and constraints. Protectionist barriers will have been thrown up in a vain effort to check the rise in tradable services: the financial services sector among others will have paid a heavy price. Unemployment will have risen as capital investment shifts to friendlier places, and taxes will represent a significantly bigger share of the overall economy. Politics will be inward looking, and ugly.

The alternative is a society which will be successfully managing the transition to these big changes in the workplace. We will have a better trained, more productive workforce. Regulation and the tax system will be simpler than they are today, and continued growth will have increased tax revenues while reducing the size of government as a share of the state. Competition policy will be tough, but business will be trusted to manage its own affairs within a fair and proportionate regulatory framework. The UK will be an outward looking society, the champion of free trade and open markets.

We all have an interest in striving for this second Vision – and it is well within our reach. The only Question that remains, is whether we – and our successors – have the WILL to succeed.

Impartiality in BBC coverage of business news

Ruth Lea, Director of the Centre for Policy Studies

I very much welcome this review into the impartiality of BBC coverage of business news. It goes without saying that the BBC is a very significant source of information on all news issue, not least of business issues, and, as such, its coverage is vitally important. The BBC's status as a publicly funded organisation makes impartiality all the more an obligation.

General comments

The BBC's coverage of business issues is impressive in its extensiveness and comprehensiveness. The mainstream TV and radio channels, News 24, the BBC World Service and the website all carry considerable business news coverage. This is wholly to be applauded. And many other more general programmes touch on business issues too. There is no shortage of coverage.

On a personal note, I have been interviewed on many occasions by BBC staff for a very wide of programmes on a very wide range of issues, many of which have been on economic and business issues. This was the case in two of my previous postings, as Chief Economist at Mitsubishi Bank and Head of the Policy at the Institute of Directors – and it is still the case in my current position. I can, therefore, speak with much “in-front of the microphone” experience.

There is a wide range of opinions at the BBC and many interviewers are well-informed and fair. It is invidious to mention names and the omission of certain names is not intended as any slight – but Declan Curry of Breakfast News springs to mind in this regard as does Greg Wood of the Today programme. BBC World Service interviewers are always, in my experience, scrupulously fair. To be fair to other news providers, I would say that this is also the case with the two other major sources of news in the UK – Sky News and ITV News.

But, having said this, there are other interviewers – and here I will refrain from naming names – that can give the impression of partiality. It is very difficult to be explicit and specific about this and these comments can, in the absence of comprehensive surveys and monitoring, only be highly subjective and impressionistic.

Much has been written about BBC “bias” – and I am aware that those who accuse the BBC of bias can come from very different ends of the political spectrum - but it is worth a mention here. The “bias”, it is claimed, arises because of the “fact” that many BBC journalists have a way of thinking that is essentially left-liberal in its stance. Indeed I have seen the BBC described as “quintessentially part of the left-liberal establishment consensus” with a natural tendency to certain “default positions” that owe much to the Guardian and little to the Daily Mail. Indeed the Daily Mail tends to be regarded as an anathema.

Thus, for example, multiculturalism, the EU, policies for “social equality” (in terms of “fair” income redistribution) and policies to combat man-made global warming may unquestioningly be accepted as “good things” with those challenging these views regarded as odd, eccentric, heretical or even mad. (The recent BBC coverage of the man-made global warming debate has especially, I believe, been conducted in terms of assumption and assertion rather than hard journalistic analysis.)

Those defending business, employers and the profit motive (and, incidentally, the USA) may be regarded as morally suspect and not quite wholesome. Employers may be portrayed as exploiters of the vulnerable – whether they are employees or customers. And the profit motive, driven by “Fat Cats” (I simply lost the number of times I did “Fat Cat” interviews when I was at the IoD), can sometimes be portrayed as primarily about greed and selfishness.

I would emphasise that BBC journalists who may be regarded as defaulting onto these left-liberal “default positions” do not do appear to do so because they are deliberately trying to be malicious or misleading. Not at all. The tendency seems to be quite unconscious. But it is, apparently, sufficiently obvious for the BBC's executives that they are aware of it.¹

Need for survey work and monitoring

The impressions of the left-liberal bias, including anti-business and anti-capitalist bias, are, of course, just impressions. They do not make a case for the prosecution. Impressions and anecdotes cannot be an adequate replacement for hard and impartial research which, to my knowledge, has not been undertaken to date on business issues.

The main recommendation of my submission is, therefore, that such impartial research is undertaken by independent opinion and monitoring organisations. BBC journalists should be surveyed about their political attitudes (political in the widest sense of the word, including attitudes to business and the profit motive) and reading habits. Only then could the left-liberal BBC “stereotype” be refuted – or confirmed. Broadcasts should also be monitored for attitudes betrayed and assumptions made by broadcasters.

The Centre for Policy Studies recently published three papers on monitoring exercises – two on the EU. The first EU pamphlet demonstrated a pro-EU bias in the context of Tony Blair’s announcement on the holding of a referendum on the EU Constitution.² The second concluded that the BBC’s coverage of the EU was quite simply inadequate (not an accusation I would make against the BBC on business issues).³

The third paper dealt with the alleged BBC bias against the Conservative Party, using two case studies – the first during the Labour and Conservative Party conferences and the second on the election debate on the management of the economy.⁴ It concluded that the Conservative politicians were treated differently from labour politicians. They were given less airtime, interrupted more often and subject to tougher scrutiny and questioning.

It is exactly this sort of monitoring that should be done for the BBC’s coverage of business issues - and not just of the output of the specialist business reporters. Then we would all have more to go on than impressions and anecdotes!

WORD COUNT: 971

References

1. Paul Revoir, “Yes, we are biased on religion and politics, admit BBC executives”, *Mail on Sunday*, 22 October 2006.
2. Kathy Gyngell and David Keighley, *Blair’s EU-turn: a case study in BBC partiality*, Centre for Policy Studies, June 2004.
3. Kathy Gyngell and David Keighley, *An outbreak of narcolepsy? Why the BBC must improve its coverage of the EU*, Centre for Policy Studies, March 2004. Lord Wilson’s independent panel report on the BBC’s coverage of the EU and the appointment of Mark Mardell as the BBC’s Europe Editor were both made in May 2005.
4. Kathy Gyngell and David Keighley, *BBC bias? Two short case studies*, Centre for Policy Studies, April 2005.

FROM: COMMISSION FOR RACIAL EQUALITY

We welcome the opportunity to contribute to the BBC's Independent Review of the BBC Business News.

The CRE recognises that the BBC is in a position to look creatively at different schemes to tackle under - representation of ethnic minority people in key employment areas. In addition ' The BBC is under a duty to promote race equality under s71(1) of the Race Relations Act 1976 in relation to its public functions and it is the Commission's view that these encompass its broadcasting functions, including that which is currently the subject of independent review, the impartiality of its coverage of business news. It is important therefore that the review considers the implications of all aspects of its business news coverage.

The CRE has some key concerns which are outlined below:-

* Improve representation . The CRE Code of Practice on Racial Equality in Employment can be deployed to increase the diversity of presenters, interviewers, case study participants featured in the news.

* 10% of businesses within the UK are ethnic minority owned. Ethnic minority businesses should be featured regularly without particular focus on race or religion.

* Businesses stories which are of particular interest to ethnic minority groups in particular should be covered from time to time. This will aid to increase understanding among the audience in general.

* The CRE proposes a number of issues that could be tackled by BBC business programmes:

* Sharia Law and the future of British business. An objective approach should be taken, looking at how such business practices work and how this relates to and conflicts with traditional British practice.

The BBC should avoid sensationalist coverage of the topic.

* Ethnic minority businesses opportunities linked with the London 2012 Olympics. The Games are being held in extremely cultural diverse boroughs and it is important that ethnic minority plays a big role.

* Race equality and the law * raising awareness in terms of fair recruitment and other legal obligations for employers and employees.

* Equality and diversity training for all employees.

Yours sincerely,

Alan Christie

Director of Private Sector Policy
Commission for Racial Equality
St. Dunstan's House
201-211 Borough High Street
London SE1 1GZ

February 2007



**Friends of
the Earth**

Briefing

Written submission to the BBC Governors' review of the impartiality of BBC business news

Friends of the Earth inspires solutions to environmental problems, which make life better for people.

Friends of the Earth is:

- the UK's most influential national environmental campaigning organisation**
- the most extensive environmental network in the world, with almost one million supporters across five continents and over 60 national organisations worldwide**
- a unique network of campaigning local groups, working in over 200 communities throughout England, Wales and Northern Ireland**
- dependent on individuals for over 90 per cent of its income.**

To join or make a donation call us on 0800 581 051

Friends of the Earth, 26-28 Underwood Street, London N1 7JQ

Tel: 020 7490 1555 Fax: 020 7490 0881 Email: info@foe.co.uk Website: www.foe.co.uk

Friends of the Earth Limited company number 1012357

♻️ Printed on paper made from 100 per cent post-consumer waste

Introduction

Friends of the Earth welcomes this opportunity to submit evidence to the BBC Governors' review of the impartiality of BBC business news.

The BBC provides a wide breadth of business coverage, bringing a range of perspectives from financial reports to documentary-length investigations to audiences online, and on air.

Friends of the Earth's experience suggests that whether this coverage provides a "fair and balanced picture of the world of business and its impact on society" can depend on the issue, the reporter and even the outlet. A balanced report can be badly summarised in the bulletins, a TV package can leave out the complexities included online.

There is much good (ie balanced) coverage of business issues on the BBC (eg Newsnight's challenge of RyanAir's claims on being green). But Friends of the Earth believes there is also some coverage which demands greater scrutiny. Do journalists covering business stories always ask the right questions? Are issues analysed within a broader social context? Is the BBC Charter's Public Purpose of "sustaining citizenship and civil society" upheld when reporting on business news?

As an environmental campaign group, Friends of the Earth's experience and expertise in environmental issues is grounded in the experience of local communities around the world. Our concerns are focused on the impacts of business on the wider environment and of the role it plays in sustainable development.

Our global environment is under threat as never before. Climate change, the depletion of natural resources and pollution all threaten the future of life on Earth as we know it. Some 16,000 species are under threat (IUCN Red List 2006). Thousands more are at risk from climate change.

These issues are generally considered beyond the brief of the business journalist. When a company such as Shell reports on record profits, a reporter does not normally ask about the environmental costs (See: Soaring oil boosts Shell profit – July 2006 <http://news.bbc.co.uk/1/hi/business/5219456.stm> , and Niger Delta unrest dampens Shell, May 2006 <http://news.bbc.co.uk/1/hi/business/4971340.stm>ⁱ).

Business reporting tends to ignore the environmental impacts of business activities, or often does not take them seriously.

Take an Online report ahead of the 2002 Earth Summit, where environmental campaigners are ridiculed ("*Gather your placards. Practice your chants. Revise your list of threatened tribes*") undermining the allegations that make up the bulk of the report (<http://news.bbc.co.uk/1/hi/business/2197429.stm>ⁱⁱ).

Whose views count?

Attitudes have perhaps moved on since the Earth Summit. This year's online coverage of the World Economic Forum meeting in Davos was linked to coverage of the World Social Forum in Nairobi – where civil society gets to debate issues from their perspective – all be it without the same depth of coverage.

Coverage of Davos is illuminating in that issues such as global poverty, climate

Written submission to the BBC Governors' review of the impartiality of BBC business news

change, and AIDs are news because of who is talking about them. There seems to be a broad acceptance that business can be part of the solution – without considering whether business may also be part of the problem.

Critics of the World Economic Forum were given little coverage – despite the presence of protesters (labelled “anti-globalisation protesters” by the BBC) and the alternative “Public Eye on Davos” event which ran alongside (see: Green agenda for global leaders, BBC Online, 24 January 2007, <http://news.bbc.co.uk/1/hi/business/6280837.stm> ⁱⁱⁱ)

The World Social Forum which took place in Nairobi, Kenya in the same week at the Davos meeting received virtually no broadcast coverage, even though it was attended by over 40,000 participants. (The WSF was featured online, however).

Claims and counter claims

Where environmental issues are covered in business stories, different standards can apply to “claims” made by the environmental movement and the arguments put forward by business.

Take for example reporting on the “ghost ship” saga where Friends of the Earth and local residents won a court ruling to stop plans to dismantle four former US naval vessels in Hartlepool because of the lack of an Environmental Impact Assessment.

Follow-up stories, covering Able UK's renewed attempts to gain permissions often reported the environmental objections as “claims”, suggesting some doubt about the issue. Friends of the Earth and local residents became anonymous “green campaigners” and the argument against is on several occasions reduced to one line: “Green campaigners claim the vessels contain high levels of toxins”.

Local BBC news only told one side of the story and continuously repeated allegations by Peter Mandelson that Friends of the Earth was distorting the truth with out allowing any response from Friends of the Earth – despite several requests and also a full table detailing exactly what the vessels contain. (See: Bid to allay ghost ship fears, BBC Online, 8 February 2006, <http://news.bbc.co.uk/1/hi/england/tees/4688716.stm> ^{iv}, Fresh hope for ghost fleet firm, 1 July 2004, <http://news.bbc.co.uk/1/hi/england/tees/3858553.stm> ^v, Ghost ship firm's river waste bid, 24 October 2005, <http://news.bbc.co.uk/1/hi/england/tees/4370754.stm>) ^{vi}

In contrast, Able UK's claims about the number of jobs created by the work is stated as fact (Dock row threatens ghost ships, 13 July 2005, <http://news.bbc.co.uk/1/hi/england/tees/4678175.stm> ^{vii}) and the company is not challenged when it says there will be no impact on local wildlife – despite concerns raised by English Nature (the Government's wildlife advisor) and RSPB.

By trying to polarise the issue into a battle between Friends of the Earth and Able UK, the reports missed covering the source of the problem which was that of the Local Authority responsible for the permissions.

Burden of proof

Business views can seem to be worth more than the views of environmentalists, as

Written submission to the BBC Governors' review of the impartiality of BBC business news

Friends of the Earth has found when criticising business. On a number of occasions stories criticising business have been dropped because the company has refused to put somebody up to give their side of the story.

In contrast, the claims put forward by business lobby groups such as the CBI, the British Retail Consortium and even by individual companies are seldom challenged. This "trust" in what business says is used particularly effectively by the CBI in its campaign against government regulation. It regularly claims that increased regulation will hit jobs and add to the costs of business, yet evidence shows that such claims are often exaggerated (see The true costs of REACH, Oct 2004, www.chemsec.org/news/archive2004.php ^{viii})

Asking the right questions?

The "newsworthiness" of climate change and the recent enthusiasm for "greenery" in business have encouraged more questions about environmental costs.

The launch of a business-only airline, for example, prompted questions about the impact on climate change (see: Budget business flights take off, 25 January 2007 <http://news.bbc.co.uk/1/hi/england/beds/bucks/herts/6297289.stm> ^{ix}). But the launch of a new low budget airline in Asia – where the growth in cheap flights could have terrifying consequences in terms of emission growth, received no comment (see: Long-haul budget airline unveiled, 5 January 2007, <http://news.bbc.co.uk/1/hi/business/6233295.stm>)

Clearly it is not appropriate to raise environmental issues in every story, but some business coverage can appear to have come straight from the company's press release (see: Ryanair sues France over work law, 3 January 2007, <http://news.bbc.co.uk/1/hi/business/6228529.stm>). Does pure PR for business really fulfil the BBC's remit?

The growth in green business initiatives has brought business stories into territory traditionally covered by the BBC's comparatively small environment team. It is perhaps as a result of this blurring of boundaries that stories about supermarket development are now also often about the impact on local communities, on farmers and on the wider supply chain.

Given that company directors must now consider the impact of their business on society and the environment ^x, perhaps it is only fitting that the BBC's business reports should draw on the broader expertise that exists within the BBC (eg the Environment team) to ensure that business claims are properly questioned and that the views of other stakeholders are taken into account.

Written on behalf of Friends of the Earth by Helen Burley

Contact details

Tony Juniper

Tel: 020 7566 1721 or 020 7566 1631 Email: tony.juniper@foe.co.uk

Craig Bennett

Tel: 020 7566 1667 Email: craig.bennett@foe.co.uk

Written submission to the BBC Governors' review of the impartiality of BBC business news

ⁱ BBC Business reports on Shell's quarterly profits from May and July 2006 both mention that unrest in the Niger Delta and hurricane damage are affecting Shell's performance but do not look any further than their immediate impact on the bottom line. Yet both could be seen as indicators of Shell's economic vulnerability on environmental issues with the company carrying a significant legacy of pollution in the Niger Delta and elsewhere, while also being vulnerable to the impacts of climate change in terms of exposure to more frequent extreme weather events and also carbon costs.

ⁱⁱ Business presence fuels summit tempers, BBC Online, 18 August 2002

"Gather your placards. Practice your chants. Revise your list of threatened tribes.

The suits are coming.

Did you think the Johannesburg World Summit on Sustainable Development (WSSD) would be the preserve of the Arran sweated and besandalled?

The 60,000 delegates who will attend the two week event include not just sustainable development diehards, and the politicians they have come to lobby.

The event will also place traditional environmentalists beard by jowl with coiffured corporate bosses."

ⁱⁱⁱ The only criticism included in Tim Weber's introductory report on what is happening in Davos gives little indication as to why people might want to object to what is going on:

"Because of the tight controls on access to Davos, there have been few demonstrations by anti-globalisation protestors in the mountain resort itself.

However, critics of the forum have called for "creative and direct action" across Switzerland on Saturday, 27 January."

^{iv} This update on the situation in Hartlepool regurgitates minimal information on the environmental objections to the scheme, without going back for fresh comments on the current issue.

"A company, wanting to scrap former US naval ships at a base on Teesside, has made fresh moves to calm fears about the possible impact on the environment."

^v Again the story seems to have been triggered by the company, with no comment from local people, the council or any environmental group.

^{vi} Again there is no update comment from residents or environment groups – just the recycled line that "Green campaigners claim the vessels contain high levels of toxic polychlorinated biphenyls (PCBs)."

^{vii} The story states: "The contract would create 200 new jobs" and the numbers are not queried. Indeed, the company would appear to be trying to speed up the local council's planning process – after the company failed to obtain the correct permissions first time round.

^{viii} The true costs of REACH, Frank Ackerman and Rachel Massey, Global Development and Environment Institute, Tufts University, for the Nordic Council of Ministers, October 2004

^{ix} The report on the launch of Silverjet, which claims to be the first carbon neutral airline, questions what this means for the environment, with comments from Friends of the Earth. But the report on the launch of Air Asia X raises no environmental concerns.

^x Companies Act 2006

FROM JOHN COLE:

I will not attempt any detailed analysis of BBC Business coverage. No listener or viewer can hear everything, and the professionals can always cite examples of where they have covered something somewhere. All I can offer is an overall impression of attitude, which I think may need to be corrected, but not necessarily in the direction your panel, according to press reports, has been set up for.

I believe that the BBC, like other media, should report wealth creation, but my basic thesis is that all journalism must avoid commitment, and approach subjects with scepticism, though not cynicism.

1. Newspapers, including the Telegraph and Mail, are much more critical of particular companies. They break stories that may seem to businessmen negative, like trends in executive remuneration, tax avoidance, and pension fund deficits, because they are neither pro- nor anti-business, but are doing their job as journalists.
2. The reporting of industrial disputes on the BBC by business or retail correspondents, rather than industrial or labour correspondents. EG: I finished up the recent British Airways cabin crew dispute knowing how many passengers had been inconvenienced by the threatened strike, and the effects on BA shares, but with no useful information on who had been 'right' or 'wrong', or who had made what concessions.
3. The failure to report wage and salary negotiations, while putting so much emphasis on individual share prices is perverse. The Stock Exchange tells me that, at most, half-a-million people trade personally in shares. This compares with 29 million salary cheques or wage packets. Which is of more interest to listeners/viewers, what their contemporaries are being paid, or the more distant connection between individual company shares and their pensions? I don't know whether the insurance companies which fund my many little pensions have British Airways shares or not. The general state of the Stock Market is of interest to me, as to many of our audience.
4. The BBC cannot afford to have an attitude in any other field of journalism. In fields like politics, local authorities, trade unions, voluntary societies, it challenges. One example, the Radio 4 programme last Saturday by Steve Richards – another of my old stable, now working for the Independent – on the relationship between Rupert Murdoch and Tony Blair and Gordon Brown. Excellent.
5. The chairman of the CBI at New Year said that, even with a change of Prime Minister approaching and a Leader of the Opposition trying to find a place for his party, nothing should be allowed to interfere with the objectives of business. An understandable attitude for him. But ought not sceptical journalism to call into question whether the democratic process is not even more important?

Regulation of business, including competitiveness rules, seems to be much less rigorous in Britain than in the United States. This is all the more reason for the BBC to be questioning in

its approach to, for example, take-overs. Business analysts understandably speak principally about the effect of these on the share-price. The reporter should also question what the likely effect is for consumers and employees.

FROM: NATIONAL BUSINESS AWARDS

BBC Business Impartiality Review

Thank you for your letter of 05 February, I appreciate your persistence. My comments are as follows:

There is a general trend within the broadcast media as a whole (not just within the BBC) to report business results and business news relatively impartially, although there is a tendency to follow certain stories more avidly which has the ability to affect certain M&A activity. Whilst I appreciate that a potential bid for Sainsbury's by Marks & Spencer is more newsworthy to the consumer, it is less newsworthy to the business community than Vodafone's £11bn bid for Hutchison Essar in India. However, the reporting of the two tends to favour the populist Stuart Rose.

If the BBC sees its business reporting as appealing to the masses then it needs to be more upbeat and celebratory in tone. Attaching some human aspect to a business story will continue to satiate the consumer appetite. However, if the intention is to report on business to the business community, the BBC needs to be clear on what its agenda is and how to attract/satiate that audience.

The business community has a plethora of sources for business information: share prices, results, deal speculation, analysis, contacts can all be accessed without reliance on the BBC. Yet, as a public broadcaster it should be supplying the information that is not readily available elsewhere. Information that gives depth and breadth to the rest of the business community, whilst adhering to Stock Exchange rules, would give a more balanced view of the business community to the wider community.

I believe that there is a case for the BBC to return to public service information broadcasts – a way of educating the audience in the machinations of business. Many of the BBC audience work in business, but appear to have apathy towards learning more about the impact business has on the community. The only time it really reaches the psyche of most people is when announcements are made involving 'job cuts' or 'plant closures'.

The BBC could be far more proactive in reporting outcomes relating to business stories: if the M&S/Sainsbury's deal happens what would it mean for the British Retail Sector? Why does M&S have an interest in the retailer? A series of programmes that educate the audience about outcomes would help to raise awareness.

In any event, the BBC should move away from lambasting senior business figures (in Paxman-esque style) without highlighting the immense achievements that some have created. There is rarely any reporting on the Corporate Social Responsibility/Sustainability efforts of the UK's business community, reflecting the negative light in which it is usual to report. Business leaders are not elected representatives as are politicians, so the BBC should draw a distinction between how they interview and report on them.

In summary: The BBC appears to report business impartially, although it only reports business in the same way as a plethora of other media. It displays no sense of positivity unless it happens upon a doyen of British industry – Stuart Rose latterly, Sir John Harvey-Jones formerly. It appears like a startled rabbit in headlights when asked to report/broadcast any good news stories (such as companies or individuals winning Awards). Unless it identifies a mission for business broadcasting it will struggle to achieve significant audience numbers or be taken seriously.

Mike Faulkner
Group Director, Business Awards
The National Business Awards
9 The Leathermarket
Weston Street
London
SE1 3ER



Transport House 128 Theobalds Road Holborn London WC1X 8TN
Telephone: 020 7611 2500 Facsimile: 020 7611 2555

Independent review of the impartiality of BBC coverage of business news

Submission on behalf of the Transport and General Workers Union by Tony Woodley,
General Secretary

Thank you for the opportunity to contribute to the review.

Let me preface the T&G's contribution by saying I believe we have a good overall relationship with the BBC and, in particular, with the Business Unit and its reporters. We have valued especially the dedicated Labour Affairs brief and are disappointed that the specific role is to be discontinued.

The T&G receives reasonable input into major business stories which affect our members and we have no hesitation in tackling coverage we deem to be unrepresentative or which has excluded the T&G's view from a story where we are involved. It is, however, our view that the BBC's business coverage is focussed on the commercial perspective and there is a lack of engagement with labour affairs issues. Indeed, we would go as far as to suggest the BBC business national broadcast coverage involving the T&G is almost exclusively on disputes and their impact on consumers or passengers. This doesn't reflect our broader activities.

BBC regional coverage is generally more representative of the wider roles we play. For example, the T&G has had extensive local coverage of our surveys and reports on the gender pay gap and organising migrant workers. Both these stories have a national perspective but it seems there is an institutional failure by the BBC to pick up on what other parts of the organisation are covering and, therefore, the ability to think laterally and recognise common threads.

The BBC Business news website we have found to be generally very informative, accurate and balanced when covering business issues. Web journalists have proved to be very responsive to including union comment and seem more likely to cover union stories that aren't about a strike.

We are concerned that, in spite of some notable exceptions, few business reporters seek briefings from the T&G's press office. This is in marked contrast to their counterparts on national newspapers who will speak to us frequently on a range of industrial and business issues. The lack of union briefings is reflected in the BBC's coverage, which is often 'union-free', unless they are specifically covering a dispute. Specifically, the News 24 presenters rarely, if ever, contact us. Yet it is these presenters who are speaking on air on a story and adding comment.

Unions are relevant to millions of workers and their families and remain one of the largest membership organisations in the UK. Whilst we accept that membership has declined over the last twenty years, that picture is now changing. The T&G, for example, has had some notable successes through our organising campaigns in the City of London. Here we have not only won new members in the low paid support staff but we have successfully influenced big banks, like Goldman Sachs, to change their ways. That specific story appeared to us to have a strong business element but did not attract the interest of the Business Unit. Such an omission reinforces a view that business coverage is by business for business.

The lack of familiarity of Business Unit researchers and producers with unions and worker issues is often apparent when they contact our own media professionals. Whilst it is obviously right for producers and researchers to call to find out the meat around a story, it is extremely



Transport House 128 Theobalds Road Holborn London WC1X 8TN
Telephone: 020 7611 2500 Facsimile: 020 7611 2555

frustrating that when a story is relatively well established, they often either know little or nothing of the story they are calling about or the T&G's role in it and in general terms. It is also a source of frustration when we face a great deal of duplication. It is often the case that briefings are given only for another BBC researcher to call, sometimes only minutes later, to demand identical information. By contrast the BBC seems to expect T&G press officers to know how the BBC operates, its broadcast times, presenters etc.

The final point we would make is to note with concern the preponderance of analysts used to 'explain' stories as 'experts'. Whilst not wanting to undermine their genuine expertise and ability, it would be good to see a wider range of commentators. Trade unions, for example, could play a similar general commentary role on headline economic statistics such as interest rate changes, employment figures and the like. Clearly this requires the BBC revisiting their editorial policy but is, we feel, a point worth making.

In terms of recommendations we would suggest the following:

- The BBC should continue with the Labour Affairs brief as a dedicated post.
- Within the confines of time and availability, the T&G would encourage Business Unit researchers and producers to visit the T&G Press Office to get some familiarisation with the role of the T&G and way the union operates. We are prepared to develop a detailed programme for a day or half day as part of BBC training or induction programmes, for example, and would suggest reciprocal agreements be made.
- The level of duplication of inquiries is a concern. We would suggest that, where possible, one briefing on a T&G story could be arranged and circulated through the Business Unit to the rest of the BBC network.
- We recognise the tight deadlines and pressures the presenters have to work to so requiring tight briefings from their researchers but we would stress our willingness to talk directly with them and for them to contact us.

A handwritten signature in black ink, appearing to read 'Tony Woodley', written over a horizontal line.

Tony Woodley
General Secretary
5th January 2007