

Position Paper - Media

1. Introduction

The ethical dimensions of investment in media activities are becoming increasingly important especially as use of electronic media pervades our lives. Until recently it has made sense to consider different types of media more or less independently. Now however, the lines are blurred and the worlds of television, newspapers and the Internet overlap considerably. Similar ethical issues apply across the types of media activity. In such a changing environment, it is important that the church in general develop a methodology to apply to media-related ethical issues. It is particularly important for the CFB to do this as media related companies account for at least 20% of the whole market. (See Appendix 1).

This paper surveys the media-related sectors and identifies some common and particular themes. Past CFB decisions are reviewed. A methodology is suggested for examining media issues from an ethical investment perspective.

2. Survey of media by sector

2.1. Television

The television industry is undergoing a transformation. Only recently viewers in the UK had a choice of four terrestrial channels. The advent of satellite and cable broadcasting has increased the channels available to viewers. Until a couple of years ago it was legitimate to differentiate between terrestrial and satellite and cable television. The development of digital broadcasting will increasingly blur that distinction.

Eventually, the analogue signal will be discontinued. It will be replaced by digital signals picked up via aerial or cable. Apart from the existing five terrestrial channels a subscription fee will be charged for most other channels. ONdigital is the additional terrestrial digital broadcaster. BSkyB also transmits digital signals, and the cable companies will follow suit. The increase in the number of channels will enable new services to be offered, such as “season tickets” to enable football supporters to watch all their team’s games.

Revenues in this industry are raised via the licence fee (BBC), subscription (satellite, cable and commercial digital) and advertising (all except the BBC).

To obtain advertising revenue a TV company has to demonstrate it has programming that will attract a sufficient number of viewers. The aim is to raise the price of advertising and validate this by obtaining the requisite audience figures. The terrestrial TV companies can do this because they have the maximum coverage of the country. Very high premiums can be charged for advertising around peak viewing programmes (eg Coronation Street), but off-peak rates have fallen. Channel 5 broke into the terrestrial market by offering low budget, populist programming. While audience share remains low, the yield from advertising is reasonably profitable.

There are some broad ethical issues which include:

2.1.1. The potential for abuse of market power

Regulatory authorities have been prepared to act on various occasions. For example, BSkyB was required to withdraw from ONdigital to encourage competition.

2.1.2. An emphasis on the trivial aspects of life in an attempt to maintain ratings

This “dumbing down” fuelled by the preponderance of channels, has led to programme content preoccupied with money and image.

2.1.3. Programming tied closely with products

Specific examples can be found in programming for children, where some programmes are essentially extended advertisements for toy merchandise.

2.1.4. Invasion of privacy and use of deception

This can only be justified when it is in the public interest. The Broadcasting Standards Commission has strict guidelines relating to this sort of programming. Such methods do appear to be more prevalent in newspapers.

2.1.5. Sex and violence

Of particular importance to ethical investors is the extent to which sex and violence are shown on television in a voyeuristic manner. This issue involves most producers and distributors. Since television began in 1936, standards of decency in programming have declined along with those of society at large.

The nub of the issue is access. Television increases the number of people exposed to ideas and images. These can be harmful or beneficial and the personal ethics and morals of producers, writers and directors can be influential.

Occasionally channels break regulatory guidelines regarding programme content. Following complaints, the relevant authority usually intervenes.

Programme content for “target audiences” is a matter of concern. This may occur on terrestrial television, such as BBC2 and Channel 4’s late night output to people of distinct sexual preferences. Since the introduction of satellite and cable television, viewers have had access to adult entertainment channels. Such channels include the Fantasy Channel, TVX, the Playboy Channel and the Adult Channel. The Fantasy Channel screens soft porn of a downmarket nature and TVX also carries explicit content. The Playboy Channel was originally part owned by BSkyB and Flextech. Those companies have since sold their stakes in the Playboy Channel and the channel itself has merged with the Adult Channel. The Playboy Channel was suffering in competition with the more “laddish” output from channels such as the Adult Channel, which are more orientated towards “single men living in shared accommodation”. Playboy believe the merged service will allow it to play to its own brand of soft pornography, while the Adult Channel output is reserved for late evening.

The adult entertainment channels use Videocrypt technology owned by News International, a 40% shareholder in BSkyB. The Fantasy Channel and TVX access this technology via BskyB, to which they pay a fee. The Adult Channel has a separate agreement with News International.

Television producers often argue that programming simply reflects public demand. To some extent this is true, though there does seem to be some feedback evident, whereby programming can generate its own demand.

2.2. Film and video

The issues relating to quality of output for film and video are similar to those for television. In particular, they are close to pay-per-view cable channels, in that a specific choice has to be made to watch them. Production or distribution companies that relied upon a significant proportion of films/videos containing sex or violence would be a cause of concern. The sale of videos would concern the CFB in the same manner as the sale of pornographic magazines in newsagents.

2.3. Music and radio

Much of the recorded music available describes or promotes lifestyles and ethics at variance with the Christian message. Radio stations ensure most people have access to a variety of styles of music. Radio also has similar ethical issues to television. The number of radio stations is increasing. Explicit content appears to be somewhat limited, perhaps because people prefer visual stimulation.

2.4. Telecommunications

The development of technology has also transformed the telecom market. Telecommunications companies are able to offer data transmission (including Internet connections), video on demand, and chat lines. Later additions could include television signals.

The ethical issues are of a slightly different nature to television. Where the telephone company is providing specific services, the responsibility for the ethical nature of those services is clear. However, for the most part, the telephone company is merely providing the connecting service; it is a common carrier. Obviously, there is no restriction on what one may say or hear over the phone, except in the case of persistent abuse. Where a company wishes to establish a service that will charge customers for the time of the call, it will have to deal with a network company. British Telecom is one such company that has been able to work with the regulator to prevent some companies from operating sexually explicit lines. However, it is still possible for a company operating abroad to run such a service: it would earn money from playing advertisements or offering other services. It is also possible that some companies may identify niche markets such as chat lines, and seek to offer a specialist service (eg United Utilities).

2.5. The Internet

The Internet has risen in popularity over the past few years. Originally established as a secure form of communication for the US military, the network is distinguished by the fact that it has no centre. It is therefore extremely difficult to regulate. As the number of users has increased, so have the variety of “sites” that can be visited. The Internet has been likened to a new “Wild West” and therefore it is perhaps not surprising that the lack of regulatory control has resulted in sites of a sexually explicit and violent nature being established.

It is important to recognise that the only people responsible for such sites are the people who make them available. No organisation has overall control, and there are no controls on who may access the information. In only a few cases may a listed company be involved: one thinks here of Playboy, which has a website. The Internet Service Providers (ISPs) – the gateways to the Internet – often claim they are simply “common carriers” similar to telecommunications companies and are not responsible for the content contained on their servers. These claims have not often been tested in court however, as in practice ISPs are keen to avoid trouble with the police and often take steps to discourage inappropriate material. This perhaps has especially been the case since the German managing director of OSP Compuserve was convicted following police raids on ISPs. It is worth noting that illegal material continues to be illegal when in electronic form. Convictions are not always easy, as usually the offending material has been published in another jurisdiction.

The Internet does raise a number of ethical issues. Many see the absence of regulation as a positive: it prevents government censorship. Indeed, it is one way in which human rights groups publicise their case. The oppressive regime in Burma has had to restrict access to computers and modems to prevent its people from exchanging human rights information. On the other hand, many are worried about the possibilities for the transmission of information that in other media would be considered libellous or defamatory.

The Department of Trade and Industry supports the work of the Internet Watch Foundation (IWF). This was originally founded to highlight cases of child pornography and paedophile activity on the Internet, but it has been recognised that its remit can be wider. It is concerned not only with websites, but with other Internet characteristics such as “chat rooms”. A “chat room” is a forum whereby users can talk to each other. This usually occurs in a public arena observable by others, but users can agree to retreat to a “private” room, not observable by a third party. There is concern that paedophiles are using some of these facilities where they pretend to be fellow children and lead conversations onto sexual matters. There is even concern (arising from an actual case) that arrangements could be made on the Internet to meet children who believe they are meeting a similarly aged Internet friend (similar to meeting a pen friend).

Internet browsers often contain security software that can screen certain material (if properly labelled or containing key words). This helps to prevent children from accessing inappropriate material. In practice, they will probably know how to circumvent such controls. ISPs often offer a similar service to parents.

2.6. Computer software

Some computer software may promote worldviews somewhat removed from that of the church. Many computer games involve some degree of violent action on screen and may also include sexually provocative images. Games are different to other visual media currently available in that they require the player to actively participate. When this involves simulating a violent action (with consequent images) this must be some cause for concern.

In the past, the relatively low resolution of computer graphics and poor sound quality has insulated the industry from ethical concerns. However the technology has much improved. Some games have parental guidance labels attached. Before long computer games will have near cinematic imagery. Where this is used for violent scenes there should be some ethical concern, especially where children can have access to such games.

2.7. Printed media

The newspaper industry has seen some consolidation since media ownership regulations were changed, though restrictions still apply. The CFB will continue to have some concerns with some of the output of the tabloid press. Not only are “top shelf” pornographic magazines of concern, but some of the more mainstream publications should also be considered. Titles such as Loaded, Maxim and FHM promote certain images of women and certain lifestyles, as do Cosmopolitan. The ethos behind some of the club culture magazines may be distinct from a Christian ethic. Christian commentators have regarded The Face as the ultimate example of a post-modern periodical. Overall, these magazines promote a sexual and lifestyle ethic removed from the Christian orthodoxy.

The newspaper industry is also guilty of displaying soft porn images (eg The Sun). In addition, newspapers are often criticised for invasion of privacy where no public interest is concerned.

2.8. Advertising

The images used in advertising can raise ethical issues, particularly the sexual imagery used. Of more interest to the CFB may be the publications in which respectable companies choose to advertise. If we regard a publication as – on balance – unethical, we should also be concerned if a company part-owned by the CFB advertises in that publication.

3. Consideration of common ethical themes

Publicly reproduced images depicting sex and violence have increased over the years in all media forms. It is worthwhile rehearsing the reasons and circumstances why these images might be considered “unethical”. The subject was addressed in February 1999 in a report presented to Methodist Council, entitled “Levels of Sex and Violence in the Media”. (Produced by Church and Society).

Current sexual imagery has antecedents that can be traced back thousands of years. In some contexts, such imagery (at least in written/verbal form) can celebrate God’s gift of sexuality (eg Song of Songs). Often however, the imagery used is inappropriate.

As “Levels of Sex and Violence in the Media” highlights:

“The British public seems to be moving the boundaries of taste and decency...” [paragraph 12]

This appears to be in the direction of more explicit material, but material does not include sexual images with animals or children, with violence, or of non-consensual sex. The report states that:

“...there is, for instance, little problem in convicting purveyors of paedophile material.”

However, both the declining average age of models and the movements in support of “child rights” (which could imply that children could have consensual sex with adults) may be early indications that the boundaries are by no means fixed. They may be slow to move, but they are moving all the same.

Opposition in society to pornography (especially where consent is implied) and violent images may come from people’s general sense of moral absolutes. However, the decline of Judeo-Christian influence in society has weakened intellectual efforts to oppose it. Opposition tends to be in the form of an emotional response (not necessarily bad), without rigorous arguments to support it. The result has been the steady decline in standards over the years. Arguably this has been accelerated by the programme makers and commissioners, who often openly push the boundaries.

Naturally, the context is important. Accurate war reporting for example, may justify the reproduction of violent images. Sex and violence may be justified in any of the arts and the Christian must make careful judgements. Where it is portrayed (or distributed) for its own ends or for the enjoyment of others it may not be acceptable. For example, pornographic television programmes are screened not for their dramatic content, but for the sexual enjoyment of viewers which in turn leads to higher ratings and higher advertising revenues.

The Economist makes the case that:

“...adult entertainment is often in the vanguard of new technology.”

The Economist, Survey of Technology and Entertainment, 21 November 1998

It maintains that the popularity of the novel, the video rental business and the Internet can be traced to the desire for erotica. Interactive virtual reality seems set to be the next arena to be popularised by the pornography industry. One company in the United States is developing an interactive body suit, for example.

The Christian position is that we are made in the image of God and that before Him men and women are equal. Any material that seeks to undermine this position should be a cause for concern.

Equally, we are instructed that:

“...anyone who looks at a woman lustfully has already committed adultery with her in his heart.” Matthew 5:28

Paul mentions sexual immorality and lust when he instructs the Colossians to:

“Put to death...whatever belongs to your earthly nature” Colossians 3:5

There are civil liberty issues that are relevant to this issue. Ultimately these Biblical instructions apply to everyone, although, not everyone will subscribe to that view. Some way has to be found for the Church to interact with society and companies, where the right to view explicit material (sexual or violent) is demanded.

It should be remembered that freedom to choose has always been part of the created order:

“You are free to eat of any tree in the garden...” Genesis 2:16

but self-discipline must also be exercised

“...but you must not eat from the tree of the knowledge of good and evil, for when you eat of it you will surely die.” Genesis 2:17

Paul argues that:

“‘Everything is permissible’ – but not everything is beneficial. ‘Everything is permissible’ – but not everything is constructive. Nobody should seek his own good, but the good of others.” 1 Corinthians 10:23-24

Surely this also applies to companies. They should seek the good of their customers (and other stakeholders). Producing – or even transmitting – pornography for example, is not seeking the good of their customers, even if it is meeting a demand.

It is freedom of choice, in democratic societies, which enables Christians to proselytise. This fact should cause us to be wise in our judgements. We should recognise however, that no society is morally neutral. Without purification it can tend towards corruption and immorality. If we are to be “salt and light” in the world, we need to be prepared to resist trends to more explicit images of sex and violence, while recognising freedom of choice. In the case of church investment, this means that we may be unhappy with a holding in a company that promotes pornography (of whatever type) or violent imagery.

4. Previous CFB decisions

In 1989 the Church Investors Group held a lengthy discussion on the question of the impact of pornography following a House of Lords seminar organised by Christian Action Research and Education. There was particular concern over the role played by newsagents. The CFB entered into correspondence with WH Smith over their policy on the stocking of “soft porn” magazines. Though concern over the stocking of six titles was expressed, it was not felt appropriate to sell our holding on ethical grounds. The justification was that the proportion of sales in this area was small and that choice was in the hands of the consumer.

In October 1987 the CFB Investment Committee discussed the proposed connection between United Newspapers and the David Sullivan “soft porn” organisation to boost the flagging fortunes of the Daily Star. The committee did not feel it was appropriate to sell a holding of United Newspapers at that stage. The connection was in fact quickly severed.

We declined to become involved in the launch of the two cable companies Telewest and Nynex due to their decision to include so called “adult channels” in their programming.

There have been objections from time to time with any association with companies which sell The Sun newspaper due to its page three pin-ups. No action has ever been felt appropriate.

In 1995 the CFB became concerned at reports that BSKyB had established a joint venture with Flextech and Playboy Enterprises to launch the Playboy Channel via BSKyB transmissions. A report was prepared, and the issue discussed by the Investment Committee. A particular feature of the deal was that BSKyB would be investing in the production of programming. In doing so, the company was clearly aligning itself with the organisation. This was regarded as being more significant than simply selling the channel “air space”. The decision was taken to sell our holding in BSKyB. Church and Society publicised the decision by announcing the sale of the CFB holding when the channel was launched. The subsequent publicity enabled spokespeople to put forward the church’s position on pornography.

5. Constructing a methodology

The distinction between producer and distributor is important to make. When assessing a company providing a service that causes some ethical concern, it is important to note if that service originated with the company, or whether the company is only distributing the service.

This producer/distributor distinction runs through most CFB investment policy. That is not to say that one is better or worse than the other. However, in the case of BSKyB, the company was clearly moving from being a distributor of adult channels, to being a partner in the production of adult programming. In the case of WH Smith, we were concerned over the sale of soft porn magazines, but recognised the company’s role as a distributor of these titles. Had WH Smith actually published such magazines, our investment policy may have been different. A current example can also be cited. We have always been concerned that supermarkets feel it necessary to sell tobacco products. If it transpires that these companies have been producing such products themselves, we would regard this as a significant negative development.

In many ethical investment assessments, we examine the size of the offending activity in relation to the total operations of the company, and relative to the sector and relevant markets. The approach with regard to media stocks should be the same. We would regard a continuous service, such as a pornographic channel, as of greater concern than a one-off broadcast of a soft porn movie, though we might wish to ask why it was necessary to broadcast such a film.

It should be noted that the size of the operation is not always important. In the case of BSKyB, although the importance to the company of the activity was small, its nature – the fact that it was dedicated pornography – made it unacceptable. In all cases we also make a qualitative judgement.

Important questions to ask are:

- What is the Biblical and church teaching with regard to the activity?
- To what extent is the activity unethical?
- Has the CFB examined this issue in the past, or are there any useful parallels that can be drawn?
- How important – in financial terms – is the unethical activity to the company and to the market within which it operates?
- How important is the activity with regard to the way in which the company projects itself?
- How important is the activity with regard to the public perception of the company?
- Is the company a producer or distributor of the product/service?

Our answers to these questions should assist in developing a rigorous response to the issue under discussion.

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