

An Upside of Murdoch's Phone-Hacking Scandal

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The News of the World tabloid has been shut down after the phone-hacking scandal, executives have resigned, and several former directors and editors have been arrested and released on bail.

But can anything be said in defense of the paper and its management?

True, they violated the law and journalistic ethics in pursuit of a competitive advantage, but they wanted to give more complete information to their readers quicker than the competitors could do it. In pursuit of this goal, they hacked into voice mail and e-mail accounts and wined and dined police chiefs to keep the affair quiet.

Of course, selling more newspapers meant higher profits. In this sense, the profit motive was the driving force. All too often, in the mad pursuit of profit companies violate ethical and legal standards.

Let's hope that punishment will be meted out not only by the legal system, but by consumers

themselves. Consumers want not only a high quality product at the lowest possible price, but they want to know that it has been produced in accordance with ethical standards of journalism.

The last decade has seen companies punished for using child and slave labor in Southeast Asia or for using barbaric methods to obtain raw materials. Once consumers learn that such methods are employed, the demand for those goods falls drastically.

The same rule can be applied to News Corporation publications. (Full disclosure: The Wall Street Journal, which is owned by News Corporation, is the founder of Vedomosti, where I am a columnist on the opinion page.)

In the end, the phone-hacking scandal might actually prove beneficial to the quality of News Corporation chief Rupert Murdoch's publications.

For example, the Sun, another British tabloid from Murdoch's media empire, might learn a lesson from the collapse of News of the World.

Another beneficiary could be The Wall Street Journal, the largest newspaper in the United States with a daily circulation of more than 2 million copies and a part of Murdoch's empire since 2007.

It is safe to assume that The Wall Street Journal won't become what many had feared since News Corporation took over the prestigious newspaper four years ago — a mere supplement to the Fox News channel.

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