

# Peril ignored

Corruption and white collar crime in German and US media, 01/2001-09/2003

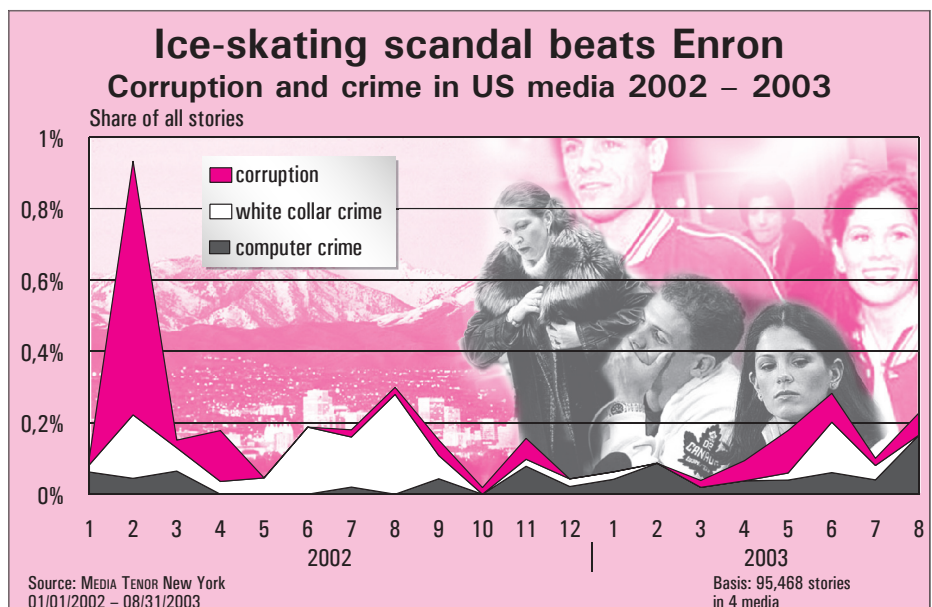
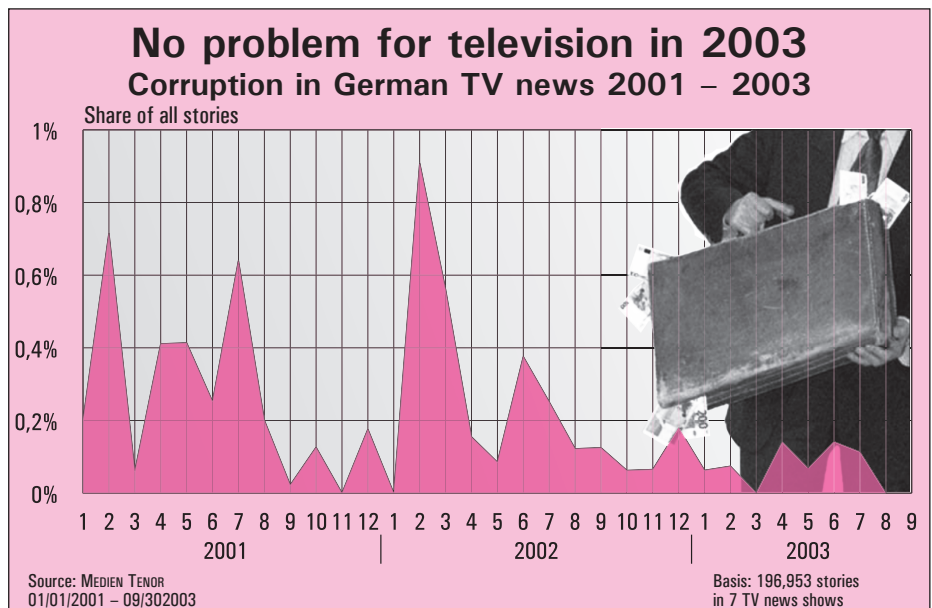
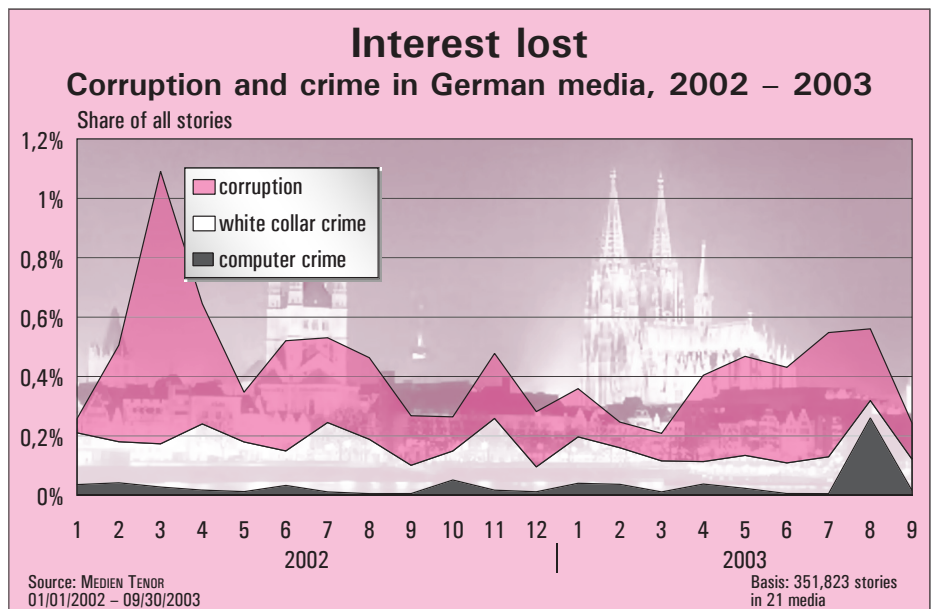
Corruption and its consequences are no easy topics for the media in Germany and the US. Aside from dramatic court cases at home, the subject matter receives only little attention. Causes and consequences of corruption, particularly in developing and middle-income countries, play almost no role in their coverage. Quite possibly, this is one of the reasons why the worldwide fight against corruption meets little public sympathy, understanding and support.

Michael Wiehan of Transparency International, a Berlin-based non-governmental organization that combats this global scourge, has come to a less than flattering conclusion: "Germany is lagging behind in the fight against transnational corruption." He added that four years after the law against international bribery had come into effect, there were no convictions and only six or seven investigations nationwide (as quoted in the German regional newspaper NEUE RUHR-ZEITUNG, 10/30/2003).

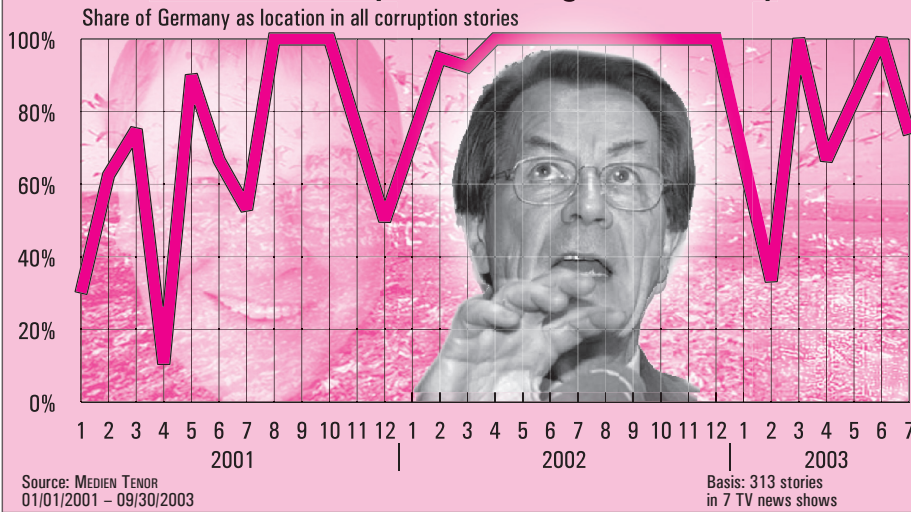
Corruption is not a regular topic in media coverage neither within the government and public services nor in companies and public organizations. Between the discovery of high-profile corruption cases and their prosecution in court, the media interest always slides dramatically, especially when most of the potential for short-time outrage has been exploited. The peak of corruption coverage in Germany was reached in March, 2002, when the Cologne party financing scandal broke. But even in that eventful month, only 0.97% of the entire financial and political coverage of 21 opinion-leading media was attributed to the Cologne sleaze.

## Fast-decreasing attention in the media

After the initial outrage, coverage went down as well. When the prosecutor announced investigative proceedings against 40 members of the Cologne Social Democratic Party (SPD) in April 2003, the share had dropped to 0.4%. At the beginning of this year, the topic had almost entirely disappeared from the agenda. It reached a low point in February 2003, making up a mere 0.09% of overall media coverage. As a comparison: In August of this year, the issue of computer crime, in particular fraudulent dialers and spam, was the focus of 0.25%



## Cologne overshadowed rest of the world Domestic corruption coverage in Germany



of news stories. The development was even more obvious in television news, with coverage of corruption dropping even more dramatically.

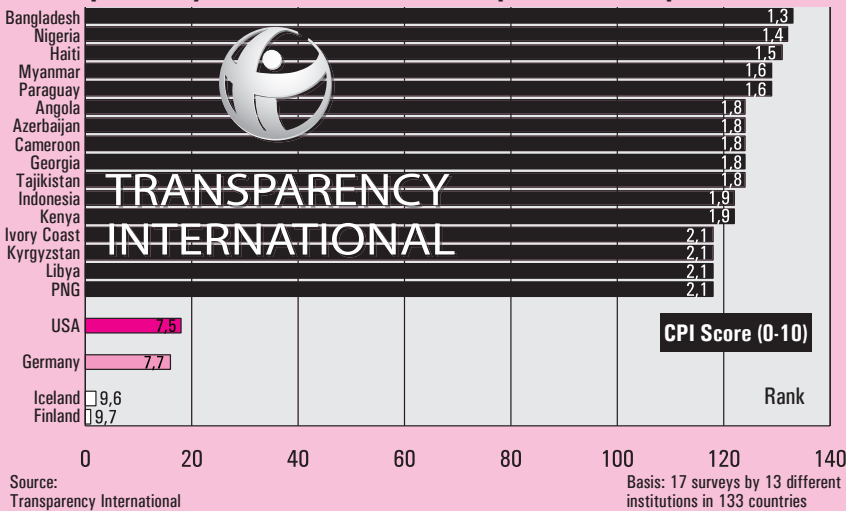
US media show a similar tendency: The peak of corruption coverage was reached with the scandal around shady ice-skating judges at the Olympic Winter Games in Salt Lake City. The company scandals of Enron, Tyco and WorldCom on the other hand were not perceived as examples of corruption. Kenneth Lay, Dennis Kozlowski, Bernie Ebbers and the like continue to appear as footnotes to discussions on improvements in corporate governance and accounting practices. Reporting in such a way even leads to the disappearing of the sense of wrongdoing: Boeing's executives seem not to have had any reservations in obtaining informations about its competitors prices from government officials. Only last year the aircraft giant introduces video courses for its ethically challenged personnel.

### Navel gazing instead of overview

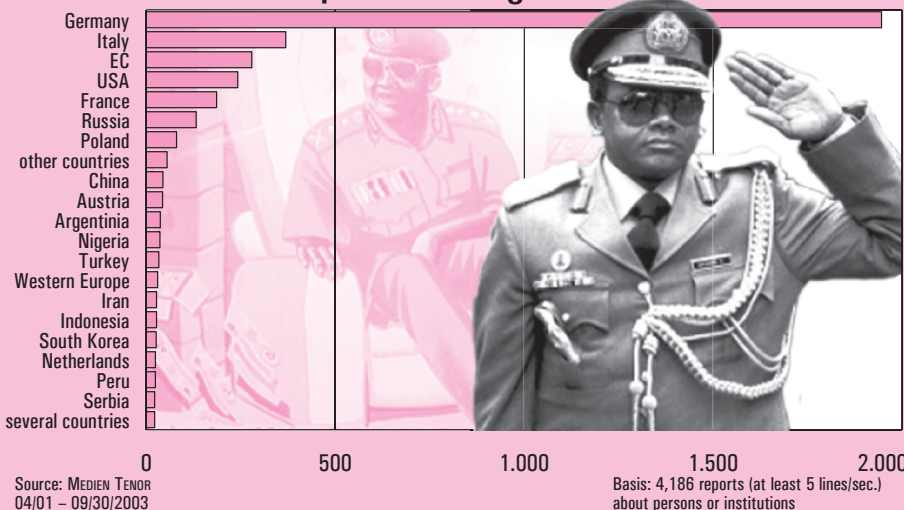
Only rarely is corruption seen as a transnational and transcultural phenomenon. This seems to be the only explanation for why corruption at home can overshadow the media's interest in how corruption is developing in other countries. In 2002 and 2003, during some months, the share of total corruption coverage relating to domestic issues was under 40% in the news programs of the public broadcasters ARD and ZDF and the private programmes, RTL, SAT.1 and PROSIEBEN. In 2002, however, nine months saw 100% of all corruption coverage attributed to Germany (see chart above). The focus on new disclosures about the Cologne sleaze and the consequences for the SPD downplayed the worldwide dimension of the problem.

The situation in Germany and the United States is far from perfect, but nepotism and embezzlement still have the most devastating effects on the poorest countries in the world. Corruption is both a cause and consequence of poverty: Bangladesh, Nigeria, Haiti and Myanmar fare the worst in this year's Corruption Perception Index of the worldwide anti-corruption organization Transparency International. All of them are countries that have been suffering under dictatorships and civil wars for decades. Still,

## Bangladesh and Nigeria take lead Transparency International Corruption Perception Index '03



## Only Nigeria makes it onto the agenda Areas of corruption coverage in German media



they hardly make it into German or US news stories on corruption.

**The public as a weapon**

Corruption dominates people's daily lives in these countries. It is part of their relationship to most institutions, including authorities, hospitals, schools and employers. But although the countries are far away, corruption in the third world is very much Germany's business, too. As long as business transactions take place behind closed doors, German companies will take part in the game around power and influence. Accountability and transparency are the most efficient tools in the fight against dishonesty and profiteering of public officials. This is why it is all the more important for the media in the developed world to discuss these issues openly. Contrary to such considerations, however, the same news selection criteria apply to the issue of corruption as to all other topics. Domestic news naturally leads, followed by reporting on nations with a high political status: France, the US and Russia are the usual suspects.

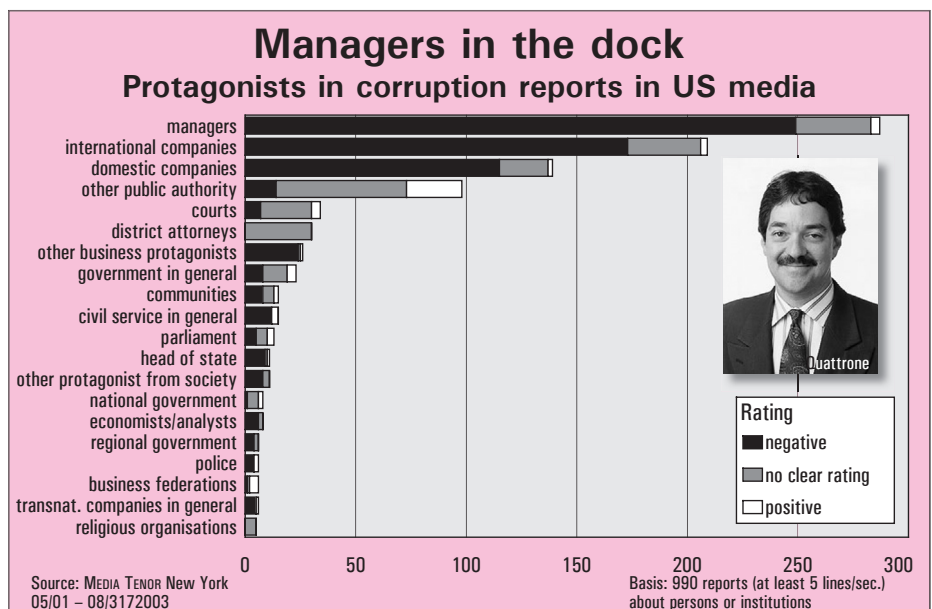
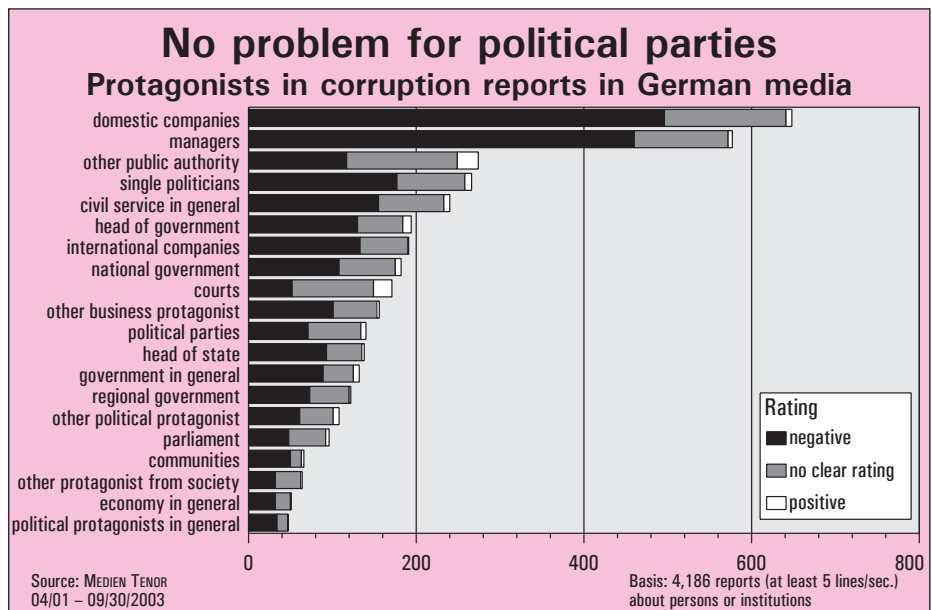
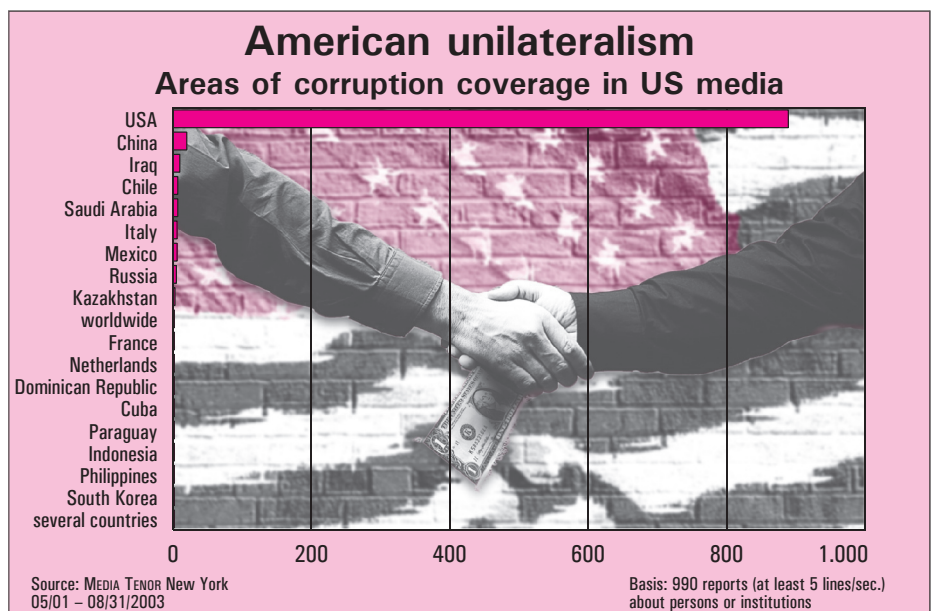
**Brussels swamp**

In the past months another group of well-known delinquents showed up: Brussels' Eurocrats. The corruption scandal around the European Statistical Bureau Eurostat made the EU come in third in the media ranking of worldwide corruption coverage, after Berlusconi's Italy (see bottom chart on the preceding page).

American media focused even more strongly on domestic issues than German media. While in Germany 46% of all descriptions of selected protagonists that were involved in corruption related to domestic cases, the same applied to 89.8% in the six analyzed US daily newspapers and television news.

**Fictitious bookkeeping and personal enrichment**

The media often present corruption and other fiascos as a consequence of individual wrongdoing, since structural causes are mostly beyond their understanding or willingness to research. The strong focus on selected scandals and their legal proceedings enhances this trend. One example in Germany is the court case against Helmut Trienekens, the waste disposal and recycling entre-



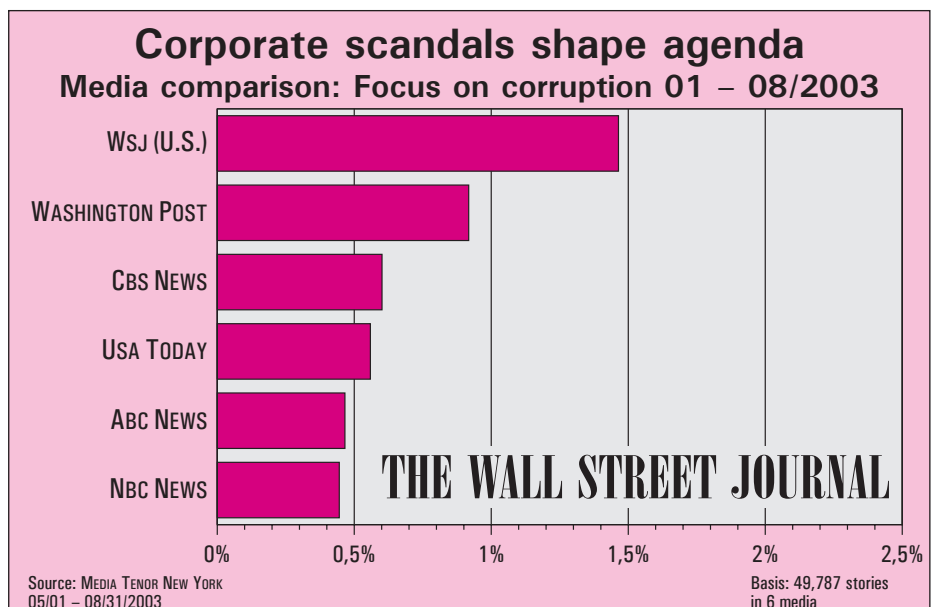
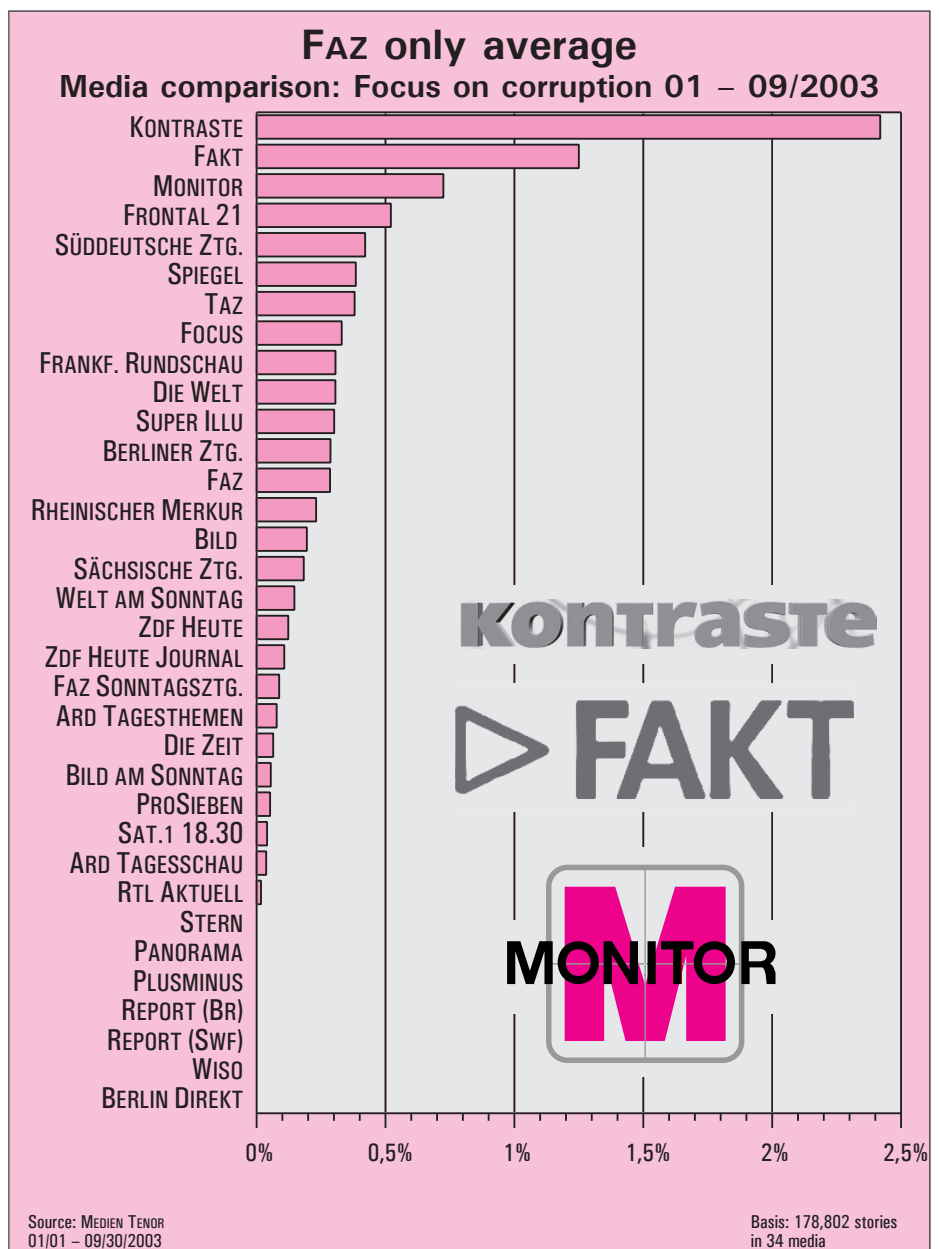
preneur from the Lower Rhineland, who is accused of bribing several members of the Cologne city council. Each postponement of the “waste magnate’s” trial raises more media interest than the announcement of administrative measures, which are supposed to prevent similar cases in the future.

In countries with raging corruption all levels of society are affected by it in one way or another. Most media coverage, however, deals primarily with managers and entrepreneurs. In the US in particular, journalists paid less attention to bribery scandals or the uncontrolled influence on political decisions through campaign contributions, but reported mostly on how top-level managers harmed their own companies. For the US media, corruption was primarily a side aspect of white-collar crime, with fraudulent accounting being the main focus of the coverage. Additional implications for society, however, were largely ignored. After the bursting of the stock market bubble almost all practices were suddenly scrutinized, which, in previous years, had been hailed as miraculous multipliers of general wealth. It is interesting to see, though, that on neither side of the Atlantic, the role of the media in the fight against corruption ever comes up.

**Special interest for magazines**

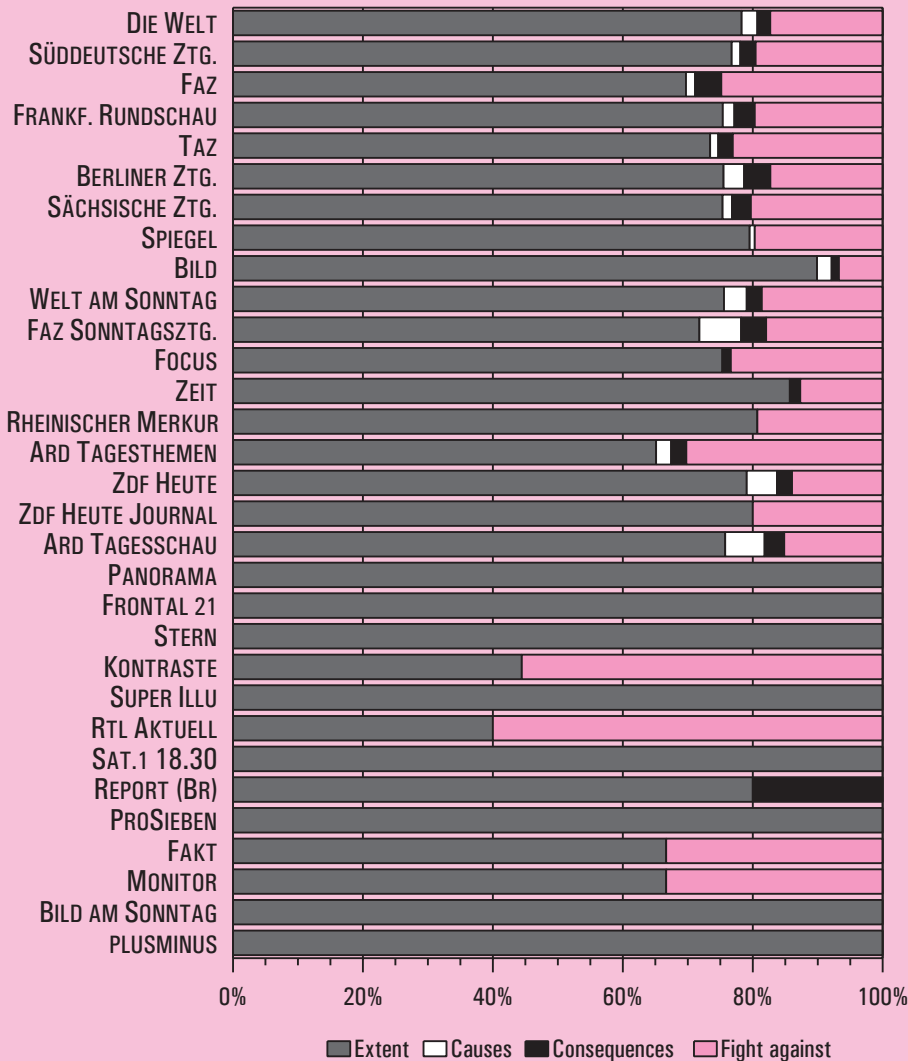
These general observations do not take into account the far-reaching differences between various media. In Germany, political television magazines seem to have specialized in covering corruption: KONTRASTE, FAKT, MONITOR and FRONTAL 21 lead the media list. The SÜDDEUTSCHE ZEITUNG only comes in fifth, ahead of the purportedly number one investigative magazine, the SPIEGEL. On the other side the TV programs PANORAMA, PLUSMINUS, REPORT and WISO basically ignored the subject. Short of providing topical news pegs, it did not play any role in the news programs of ARD, PROSIEBEN, SAT.1 and RTL, either.

The German media that did report on corruption usually focused on selected cases, while broader social causes were largely left out. On average, they attributed around 20% of their coverage to the fight against corruption. But even in these cases, the main focus were legal proceedings around selected cases, while



## Crimes without victims?

### Media comparison: Topic structure of corruption reports

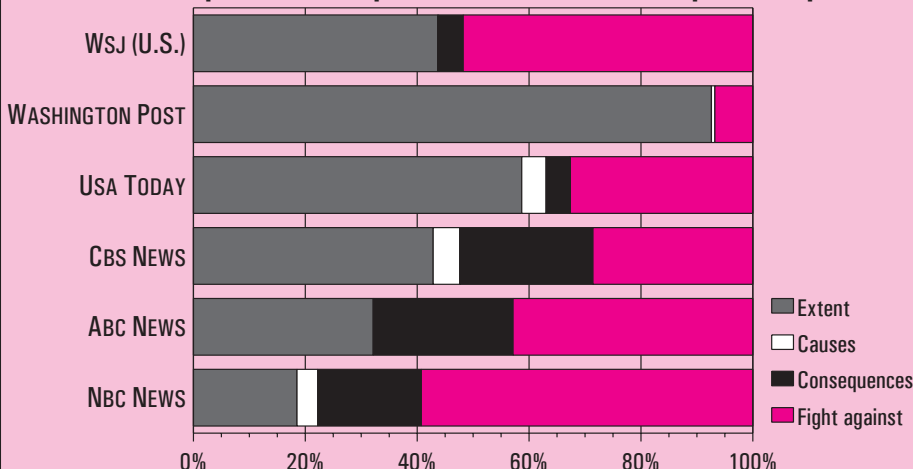


Source: MEDIEN TENOR  
01/01 – 09/30/2003

Basis: 4,186 reports  
in 34 media

## Causes do not count in the US

### Media comparison: Topic structure of corruption reports



Source: MEDIA TENOR NEW YORK  
05/01 – 08/31/2003

Basis: 990 reports  
in 6 media

prevention and avoidance did not receive much attention. Journalists of the FAZ SONNTAGSZEITUNG, the BERLINER ZEITUNG, ZDF HEUTE and ARD TAGESSCHAU covered the causes of corruption most frequently, but even in these media their share of overall reporting on the topic remained distinctly below 5%. More rarely discussed are the consequences of corruption, which in many states are the main reason for holding back development and for undermining the stability of democratization processes.

### America – the land of legal cases

In the past few months, US media focused primarily on specific events involving legal investigations of the scandals that had emerged from the stock market boom. New measures to improve corporate governance, such as obligating CEO's to sign annual reports, are parts of the picture. Coverage in Germany and the US thus contributed little to explain corruption and hardly supported those who fight against it. ck

### Basis

**Media Germany:** BERLINER ZEITUNG (2003), BILD-ZEITUNG, FAZ, FRANKFURTER RUNDSCHAU, SÄCHSISCHE ZEITUNG (2003), SÜDDEUTSCHE ZEITUNG, TAZ and WELT;

ARD TAGESSCHAU and TAGESTHEMEN, ZDF HEUTE and HEUTE JOURNAL, RTL AKTUELL, SAT.1 18:30 and PROSIEBEN NEWS;

BERICHT AUS BERLIN, FAKT, KONTRASTE, MONITOR, PANORAMA, PLUSMINUS, REPORT (BR and SWR), BERLIN DIREKT, FRONTAL 21 and Wiso (all 2003); FOCUS, SPIEGEL, STERN, SUPER ILLU (2003), RH. MERKUR, ZEIT, BILD AM SONNTAG, FAZ SONNTAGSZEITUNG and WELT AM SONNTAG;

**Media USA:** USA TODAY (2003), WALL STREET JOURNAL (U.S. ED.), WASHINGTON POST (2003); ABC, CBS and NBC NEWS

**Period:** 01/01/2002 – 09/30/2003 (German TV News since 01/01/2001, US media until 08/31/2003)

Detail analyse corruption: 04/01 – 09/30/2003 (US media 05/01 – 08/31/2003)

**Analysis:** Evaluation of all stories in the political and business departments, complete analysis of TV news and current affairs programmes. Investigation of the main topics on story level.

Analysis of corruption coverage in politics, business and society on story level: Evaluation of all reports (at least 5 lines/seconds) in the politics or business departments about institutions or persons, that are depicted as being responsible for corruption or the fight against corruption, or are described in the context of the causes or consequences of corruption.