

UK: The Sky takeover deal and the rehabilitation of Rupert Murdoch

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Five years after the billionaire media oligarch Rupert Murdoch and his key personnel got away scot-free in the phone hacking scandal, their rehabilitation by the British ruling elite is complete.

This month, an £11.2 billion deal was agreed between Murdoch's 21st Century Fox and the UK TV company Sky.

Providing Karen Bradley, the Conservative government's Secretary of State for Culture, Media and Sport, accepts the arrangement, Fox—which already owns 39 percent of Sky—will pay £10.75 a share for the remaining 61 percent, taking full control of the company. Once Bradley is formally notified of the deal, her department has 10 days to decide if the takeover triggers public interest concerns and whether media regulatory body Ofcom will be called to investigate.

The Murdochs, through News UK, already control the largest circulation share of any newspaper group in Britain—owning *The Sun*, *The Sun on Sunday*, *The Times* and *The Sunday Times*—at just under 30 percent on weekdays and over a third on Sundays. With full control of Sky, they would also gain just under 20 percent of the TV news market and 45 percent of radio audience through Sky's supply of news to radio stations. The immense wealth of the Murdoch's business empire would also exercise a quasi monopoly of journalistic talent and manpower.

The deal is an attempt to complete the takeover following the failure of Fox's previous bid in 2010/11. That fell through following revelations that the now defunct *News of the World* Sunday tabloid, also owned by Murdoch, had illegally hacked, on an “industrial scale,” the phones and computers of thousands of individuals—including the mobile of murdered schoolgirl Milly Dowler—and had also bribed police officers. Such was the public revulsion and anger at

these practices that the 168-year-old newspaper was forced to close.

The findings led to a major police investigation, resulting in a number of trials and convictions—although not of Murdoch and his family—and the establishment of the Leveson Inquiry into the activities of the British press. In this atmosphere, ruling circles deemed Murdoch's business empire too “toxic” to be allowed a substantial extension of its ownership of media outlets in Britain.

Less than six years later, however, there is broad confidence among Fox and Sky executives that the deal will be given the go ahead. James Murdoch, Rupert's son, and CEO of Fox and Chairman of Sky, announced with confidence, “this [deal] passes regulatory muster.” He continued, “We think... that no meaningful concessions will need to be made.”

That the Murdochs can move to complete their plans so soon is testimony to the thorough job done by the British ruling class and judicial system in obscuring their criminal influence and activity. From the outset, it was clear that Leveson's inquiry was intended only to whitewash the role played by Murdoch and those close to him in the hacking scandal and to obscure the multitude of shady connections between his media empire and the British bourgeoisie.

Rupert Murdoch's ridiculous claim that he was completely unaware of the illegal practices at his newspaper was accepted. While acknowledging “some concern” over James Murdoch's evidence, Leveson let the matter lie, stating that he was unable “to reach any conclusion.”

As for Murdoch's relationship to British politics, Leveson engaged in a blatant cover-up. Acknowledging that politicians from all parties had developed a relationship with the media “which has not been in the

public interest,” the report stated there is no evidence of “anything resembling a ‘deal’ whereby News International’s support was traded for the expectation of policy favours.”

In the latter part of 2015, the negligible impact of Leveson on Murdoch’s operations became clear. In September, Murdoch reinstated Rebekah Brooks, the disgraced former head of *News of the World* and *The Sun*, as CEO of his News UK. Millions of pounds were thrown at defending Brooks in her 2014 trial over phone hacking—her legal team reportedly earning £30,000 per week. She was acquitted on the shaky plea of “incompetence.” One month later, the Crown Prosecution Service declared there would be no further prosecutions over the phone hacking scandal. The second part of the Leveson Inquiry, into the “Ethics and Culture” of the British press, has been kicked into the long grass.

The new Sky deal is an indication that Murdoch feels ready to return to business as usual. Among the broader population, however, there remains significant, well-founded, distrust of the corrupt billionaire. A petition launched by campaigning group 38 Degrees calling on Bradley to refer the bid to Ofcom, has reached 141,000 signatures, gaining 37,000 in its first 24 hours. A separate petition set up by Avaaz had reached 40,000, with 7,000 messages sent in to Bradley’s office.

These concerns will fall on deaf ears. The timing of the Murdoch empire’s effort to take control of Sky is significant. Commentators have pointed to the falling value of the pound versus the dollar post-Brexit, advantaging Fox, who would pay in dollars. Economic calculations, however, are only half the story. That Fox feels confident to make the bid is indicative of the serious political motives in play.

Murdoch supported the Leave campaign in the referendum on Britain’s membership of the European Union (EU), in expectation of major reforms in favour of big business and the super-rich should the UK leave. The Leave campaign was backed by *The Sun*, *The Sun on Sunday* and *The Sunday Times*. His other UK paper, *The Times* made a tactical call for Remain. Given that the government of Theresa May is determined to push through Britain’s EU exit, the strengthening of Murdoch’s hand in UK media would be a considerable advantage.

May and Murdoch met this September in New York,

just three months before the Sky deal was announced. Though Bradley told parliament the two had not discussed the takeover, given the extensive relations between all of Britain’s official political parties with the billionaire, this cannot be taken at face value.

Another critical element is involved in the Sky deal. In the last period, there have been indications of a growing militant movement of the working class against nearly a decade of deepening austerity. Over the last year, 50,000 junior doctors held unprecedented strikes, along with postal workers and rail workers. Other workers, including airline cabin crew have voted to strike—with the trade union bureaucracy sabotaging these before they got off the ground.

Murdoch has considerable experience in breaking strikes, having presided over the smashing of the Fleet Street printers’ strike—with the aid of police violence and union treachery—during the Wapping dispute of 1986. Ever since, his newspapers have remained at the forefront of attacks on strikers and working people generally. The Tory government has repeatedly stated its determination to break workers’ strikes, and in March will introduce new anti-strike laws. Murdoch and his media empire are considered a valuable and staunch ally in this effort.

Aware of the widespread hostility to Murdoch among the population, former Labour leader Ed Miliband deemed it necessary to offer token opposition. Miliband declared in parliament “We all said in 2011 that never again would we allow the Murdochs to wield unfettered power.” In fact, Miliband, in his position as Leader of the Opposition in 2011, only called on then Prime Minister David Cameron to apologise for a “catastrophic error of judgement” in hiring Andy Coulson—imprisoned in the hacking scandal—as an advisor.

Labour can go no further in their criticisms as they are as intimately associated to Murdoch as are the Tories. In 2011, Brooks stated, “I went to Downing Street regularly while [Gordon] Brown and [Tony] Blair were at Number 10.”



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