Damage limitation

The government is coming under increasing pressure to tackle the damaging impact UK tabloid press attacks are having on the Island in the wake of the September 11 terrorist attacks.

While it is widely acknowledged that the Island has made significant progress in correcting perceptions within the world’s financial press and international bodies such as the OECD, the UK tabloid press continues to tag the Island as a ‘tax haven’.

Sir Miles Walker, who has just stood down as an MHK, said it is critical that the Island does not take its hard-earned reputation as a well regulated financial centre for granted. ‘There are people out there who will use the generic terms “tax haven” and “offshore industry” in order to deflect attention from themselves and we have to be continually on our guard for that.’

He said the government needed to be more proactive in combating bad press. ‘We have to respond not only directly where we get criticism but we have to have an ongoing procedure in place where senior people - both officers and politicians - can have the ear of the media.

‘One of the things we are not very good at is promoting ourselves ... when we go to London, we have a meeting and get the evening plane home - really we should stay the following morning and spend some time with the press. We’ve got things to learn.’

Mr Cashen said: ‘The UK tabloids don’t really do their research properly - they tend to act on information that they’ve got on file from some years ago and they tend also not to take too much notice of the facts.’ He said good relations had been established with the ‘quality press’ in the UK.

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Mrs Williams said the Island is one of the best regulated financial centres in the world. ‘It appears to make no difference to some people in the tabloid press - if you have the words “tax haven” and/or “offshore” attached to you, immediately you are seen as suspect, whatever the rights or wrongs.’

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‘One of the biggest problems, I think, is getting the truth across to UK politicians. There was a general election in the UK back in June and some of the new members don’t perhaps understand the position of the Crown dependencies.’
The suggestion that the Island was one of the potential weak links in the global battle against terrorist finance indicated that a degree of ignorance and prejudice persists amongst those who ought to know better.

Michael Gates, who heads the international services division within the Treasury, said the government's communication strategy was currently being reviewed. This strategy, however, targets the financial press, professional and financial institutions. 'What I think the events of September 11 indicate is that there is a much wider audience that knows nothing about offshore … but nevertheless can influence how the Island is perceived and how, in fact, other countries react to it.'

He said there was a need to broaden government communication beyond financial journalists to include political and general news editors and correspondents: 'They don't deal with financial services but they have a view of financial services - which is probably one like the Mirror's view. It would tend to reflect views that were common 20 to 30 years ago.'

Andrew Corlett, of Cains Advocates, who has accompanied government OECD delegations, said the tabloid press had a stereotypical view of the Isle of Man. 'We've got to differentiate ourselves quite firmly from some of the more specific orientated tax havens … we have to keep emphasising that we may have low tax but we are co-operative.'

By Alistair Ramsay

It was disappointing to see the Isle of Man lumped together with the world's 'secret tax havens' by sections of the British media in the wake of the September 11 attacks in the USA.

The suggestion that the Island was one of the potential weak links in the global battle against terrorist finance indicated that a degree of ignorance and prejudice persists amongst those who ought to know better.

But does it really matter if a few journalists in London make ill-informed assumptions about the Isle of Man? And if it does matter, what can be done to enlighten them?

First it is helpful to put the issue into context. The Island has worked hard to build a sound reputation internationally, and is naturally sensitive to any reference which appears to detract from this. During the recent media focus on terrorist finance, however, the amount of direct bad press for the Isle of Man was actually quite limited.

The Island was not singled out for criticism but was mainly mentioned alongside other centres - including, at one stage, the City of London. The problem is not that parts of the media have got it in for the Isle of Man specifically, but that they are unable to distinguish between the Island and the stereotypical 'tax haven'.
Fortunately, there are important audiences out there who can make that distinction - people who do not rely upon the Sunday Mirror for their view of the world. The G7 countries’ Financial Action Task Force and the UK Treasury, for example, both know from their own investigations that the Island co-operates fully in the pursuit of international crime, with stringent laws against the laundering of criminal or terrorist funds.

The financial and commercial press, too, is generally well informed about the Isle of Man, thanks largely to the work of the Manx Government’s London-based PR consultants Bell Pottinger First Financial.

The Government’s proactive PR effort also includes participation in various international bodies, twice-yearly meetings with the UK Government, annual visits to Brussels (where the Government retains an international law firm to monitor EU developments), a regular newsletter for British MPs, commercial roadshows, an extensive website, and the development of my own office, which provides PR and media relations support to all departments of Government.

So, many of the key audiences, including our customers and potential customers, already know the truth about the Island.

But what of the tabloid editors, who think of the Isle of Man - when they think of it at all - only in terms of crude and outdated caricatures? Their views matter indirectly, in so far as they influence wider public and political opinion in the UK.

It might be said that the tabloids see virtually everything as a crude caricature. Certainly theirs is a simplistic black-and-white world, with no room for subtle distinctions, where the business of entertaining the reader can include pandering to prejudice and reinforcing stereotypes.

It is not easy for the Isle of Man to make itself heard and understood in this noisy, cynical environment. The Island is too small to be noticed most of the time. Both its constitutional position and its main industry, international financial services, are something of a mystery to outsiders - and are therefore open to suspicion.

Tabloid reporters are unlikely to bore themselves or their readers with the cold facts, although these are available. Far easier to apply the label ‘tax haven’, a vague term with intriguing connotations of secrecy, money laundering and cheating the Revenue. (The expression ‘tax haven status’, used occasionally even by the local media, suggests that the Island’s fiscal autonomy is a privilege granted, and removable, by others, rather than a constitutional right claimed by all countries).

But it is not enough simply to blame sections of the media for their misleading shorthand. The recent reminders of how the Isle of Man is still perceived in some quarters have concentrated minds on what might be termed the Island’s political, as opposed to commercial, PR, and Government is reviewing this area of activity.

To break away from the unhelpful clichés of the past, the Island has to re-emphasise the unambiguous message that it is not a disreputable ‘tax haven’, that its fiscal policies are competitive but internationally co-operative, that it is a separate jurisdiction but not a secret one, and that it has a legitimate role to play in the modern global economy.

Good PR is about matching image and reality, and when the latter has changed there is often a time-lag before the former catches up. The preconceptions of UK journalists about the Island are often wildly out of date. Some actually ask if we still birch offenders! (the punishment was last carried out nearly 30 years ago).

Given time, and the continued clear explanation of our position, the truth about the Isle of Man should eventually dawn even in the darkest havens of ignorance.

Alistair Ramsay is press and public relations officer for the Isle of Man Government