

Don't shoot the messenger: media and the economic crisis

 blogs.lse.ac.uk/polis/2009/02/24/dont-shoot-the-messenger-media-and-the-economic-crisis/

2009-2-23

Who would have predicted two years ago that a debate on [financial journalism](#) would fill a 450-seat theatre on a Monday night? When I first commissioned a research [report](#) on economic media back in early 2007 I had no idea that it would be published amidst the biggest financial story of our lives. It is a story that people want told and they want it told with honesty and expertise. Has British journalism delivered?

The message from our [stellar panel](#) of economists, journalists and politicians was that no-one could have predicted the severity of our current predicament. Yes, financial journalism is deeply fallible. It is vulnerable to group-think, resource cuts, and incompetence. But the media was no worse than the bankers, politicians and economists in predicting and warning of the coming crisis. This crash is so spectacular, so massive and so profound that no-one could have seen it coming.

Dragon's Den and BBC Today Programme Presenter Evan Davis is an economist by training and a former economics editor at the BBC. He is acutely conscious of the damage done but he sees the media role in a much wider context. Why should the journalists have been so much wiser than everyone else?

He pointed out that there are thousands of 'warnings' all the time about all sorts of things. It was 'forgivable' that journalists 'did not beat a drum on their own'. The media does tend to operate in a 'single dimension' where life is either sunny or rainy, but the 'world is a complicated place'.

Alex Brummer from the Mail pointed out that it has been banging on about a coming crash in housing for years. Indeed, the Mail has been parodied for its gloomy obsession with property prices. However, Brummer's point was not that he was right, but that the wider story about impending economic disaster never made it from the (largely unread) City pages to the front pages.

Alex did blame some of the media for a pack mentality. He laid into the 'liars' in City PR companies. Even now, most journalists are obsessed by simple stories such as the row over bonuses instead of the deeper economic crisis, he said.

Gillian Tett (Financial Times) brought a very different perspective. She said that her pioneering reporting of the obscurer parts of the financial jungle, such as complex derivatives, was informed by her academic training as a social anthropology. She delved into parts of the City that other hacks did not venture into. To mix metaphors, it is what she calls the bulk of the financial iceberg that most business journalism fails to spot.

As she pointed out, there was no incentive to cover these complicated structures, it was seen as 'geeky and technical' and it was dominated by 'ferocious' PR companies.

There was some supporting evidence for the journalists from a top economist, Willem Buiter (LSE). He very clearly and entertainingly pointed out that no-one saw the 'full shock and horror' coming. Indeed, he believes that there is no reason to think that we will see the next massive crash before it happens. "how" asked Buiter, "could anyone see when there was such an act of collective blindness"?

This makes it sound like our panel were incredibly defensive and self-justifying. If they all take the blame, then no-one can be found guilty. But I sensed that they are all still reeling from the reality of this huge folly. It is such a colossal event and we are too close to it to see the context or causes.

The media can rarely be held 'responsible' for any particular social or economic disaster. Journalism can exaggerate trends and accentuate flaws but it doesn't often cause things to happen.

But that does not mean that it doesn't have to look to its own performance and ask how well it is doing its job. In a way, the question about seeing disasters coming is the wrong query. What really matters is how well we are going to report the reality and choices that face us from here on.

This debate, chaired by LSE boss Howard Davies and supported by the [Media Society](#), helped clarify some of the issues. It disposed of some of the more facile concerns. It raised a whole lot of new questions, too. Polis will continue its research in this area with Dr Damian Tambini. You can see our report on [financial journalism here](#). Get in touch with us if you want to be part of our continuing investigation at polis@lse.ac.uk

Continue the debate at the [Polis Facebook group](#)

[The LSE audio podcast will is here.](#)

Follow me, the Polis director on [Twitter](#)

[Here](#) is the report on the event by [Journalism.co.uk](#)

[Here](#) is the report by [Press Gazette](#)

- Copyright © 2014 London School of Economics and Political Science