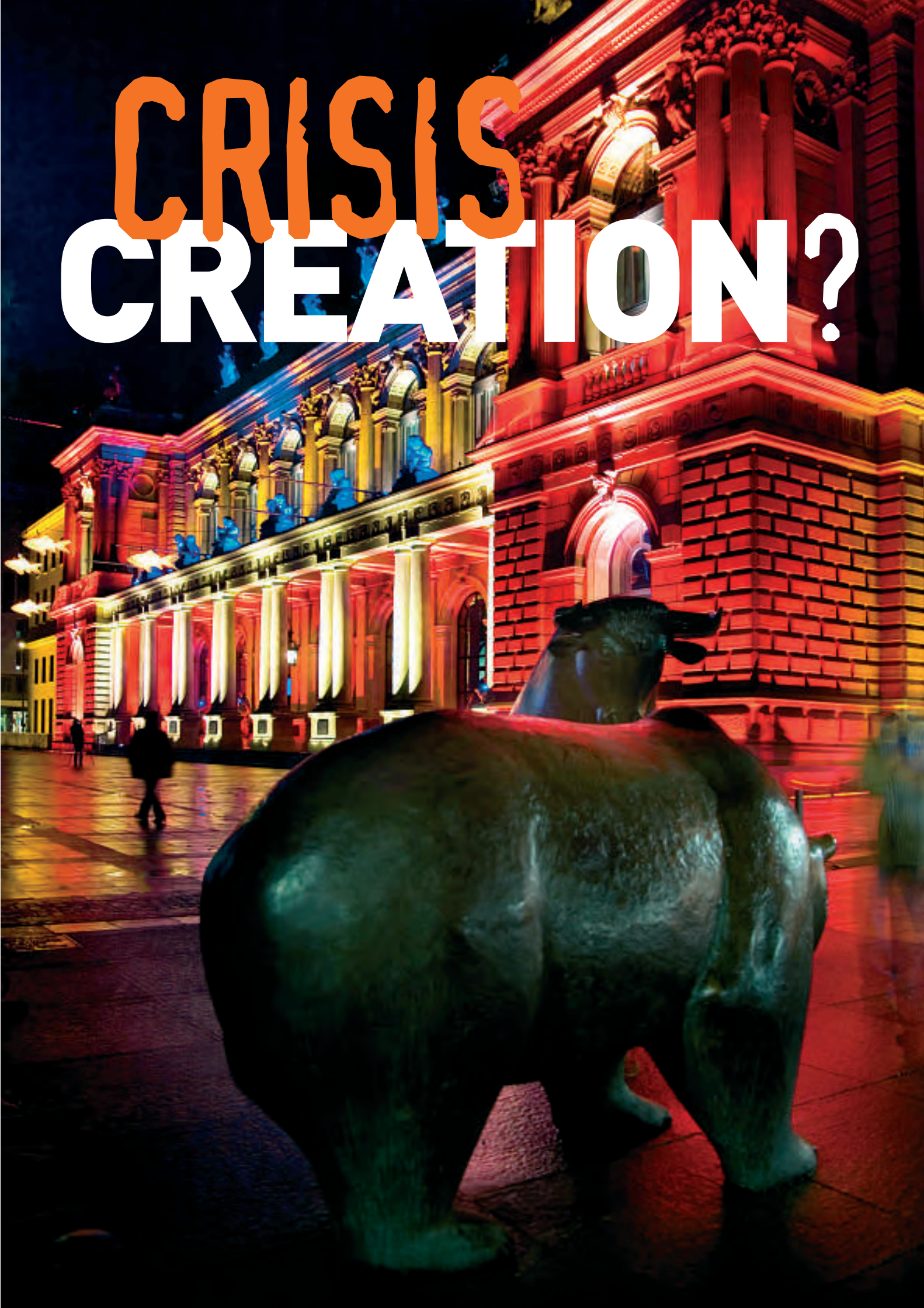


# CRISIS CREATION?





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We all know the media are selective: they interpret, trigger emotions and even "create" facts. When in September of this year the global financial crisis punctured the sweet dream of easy capitalism, it was a meaty feast for journalists everywhere. There were gloating horror tales, there was explanation, there was reassurance. In the UK, a reader's letter published in the Daily Telegraph suggested: "If the BBC sent the doom-laden John Humphrys and the panic-inducing Robert Peston on holiday for a month, the world financial crisis would end tomorrow." So are the media partly to blame for the financial crisis we are in? Among the programme makers whom we asked there was a marked reluctance to answer that question – many declined to comment. Here is a selection of views from people in and out of the media industry

## BBC

### EXCERPT FROM "ARIEL", THE BBC STAFF NEWSPAPER, 14 OCTOBER

"Menace and scaremonger or brilliant journalist doing his job? ... The BBC's business editor [Robert Peston] has certainly generated huge media coverage – not all favourable. Where is he getting his information, ask the critics, and, dramatically: 'Should one man have the power to bring down a bank?' He hasn't quite done that but his blog breaking the news of a £50bn bank rescue package was followed by a big fall in share prices, prompting accusations of irresponsible reporting and 'spooking the market'. [...] Even some of Peston's admirers are urging caution and questioning whether his prolific blogging is appropriate for a BBC newsman. [...] Jeremy Hillman, editor of the business and economics unit, says that if the BBC gets a good story the presumption is to publish, unless there's 'a huge over-riding reason' not to do so. 'We have one responsibility and that's to give facts to the audience that are relevant. **We don't do our journalism in a vacuum** and there's always potential for a market reaction but we don't tailor our reporting in terms of what impact it will have on this or that share price.' "



## MAN IN THE STREET UK

The media are to blame, without a shadow of a doubt. I would say that ¾ of the doom is media-driven. I normally get up, switch on BBC news to see what's happening, and it's just dominated by the financial markets. I watch the BBC and ITN news on the internet, I think they should just cover the financial markets in their designated finance slot. If the media want to improve their image **they should stop this speculative peddling of doom and gloom stories** and engage in some hard investigative journalism by asking the bosses of these big finance houses exactly what has gone wrong and where and why, and to push for the culprits being made accountable.

**DOUGLAS NAISMITH**

**MANAGING DIRECTOR, INTERNATIONAL FINANCIAL SERVICES COMPANY**

I don't think we should blame the programmers or the TV channels for having a lot of programmes that relate to financial matters. A lot of people work in the financial industry, a lot of people use their products nowadays, and there is interest. Personally, I think there is probably too much financial news on TV but it is entirely response to market demand for that information. That's the first thing. I don't blame the financial news for the way the markets have reacted. The transmission of information across the world these days is so fast that markets are reacting very quickly. Now more information is available to trade on immediately and that has a consequent impact – sometimes a knee-jerk reaction from people because information hits their desk and they are forced to respond. The time for analysis is much shorter today. That was going to happen inevitably just with the growth of technology and nothing to do with the media. I do think though the media must bear some responsibility in a couple of different areas. One, the tone and the language were very sensationalist - "and there's blood on the streets in the markets today" and "Wall Street down, market haemorrhaging, where will it all end - financial apocalypse". It does make more people think their assets are at risk. The other area is the growth of TV programmes in this belief that asset inflation, in particular property inflation, was here to stay. Buy-to-let, properties going up, easy money, don't miss out – I don't know how many TV programmes had that theme. In a situation where you are able to borrow 130% of the value of the property, the whole fiscal prudence went away and I think that was exacerbated by **the media encouraging people to get on board this magical ride that was never going to stop**. I go online first thing in the morning because it's pre-newspapers, I find that quite useful, whether it's the BBC or the CNN site, then newspapers for a more balanced, composed editorial.



**MICHAEL PETERS**

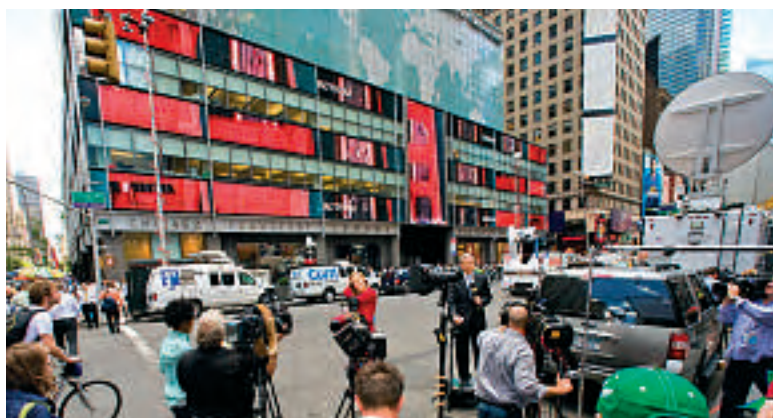
**MANAGING DIRECTOR, EURONEWS**

It's always a question of the mirror. At the end of the day: **who is looking at who in the mirror - who is reflecting what?** Which is the markets, which is the media? Everybody is reacting because of the other. I think that is inevitable because the media are so strong today. You know that, as the competition is so hard in news media, in order to survive you need to be the first today, the one that breaks the story. It's not so simple as to say 'media have done that'. If you look at how the media are working, they have a lot of people who are speaking today, and of course when you speak then the risk is that you can accelerate things with what you are saying. The format of the treatment of the news is very important at a time like this. If you have a format where you need to speak, to discuss, to find a story, to explain a story, these formats will force you to find something else. On Euronews we just give you the news and we are not commenting it, and that's it.

**GOPALAN KRISHNAN**

**EXECUTIVE DIRECTOR & CEO, TV TODAY NETWORK, NEW DELHI**

Here in India, only those platforms that report on the worldwide financial crisis in a responsible manner would build credibility in the viewers' mind. A few platforms might adopt a sensational approach for short term viewership benefits but this is not a sustainable approach. I feel every news product must place the consumer at the core - in these trying times everyone is keen to know how it affects them today and the impact tomorrow. In my mind this is a global issue and there is a certain amount of belt tightening across all sectors and all regions. Thus the interest level is more macro in nature and the consumer is keen to track what is happening on a global level. Thus even the reporting has a global element and no news product is covering it as local silos. The role of any media product is to spread awareness. I think the media have done a good job in showing the extent of the crisis. Currently there is a certain sense of fear in the consumer's mind and only awareness will help tackle this fear. **Complete transparency is the only solution to any crisis**. Consumers today get news from multiple platforms. I feel when it becomes a global issue, television becomes the primary source for most people.





# CRISIS CREATION?

## ALLEN COOPER CONSULTANT, INTERMEDIA UK

It really is a huge story and we do have to report it in a way that stresses how important it is. A lot of the reporting, and I think this is bad, was based on assumptions about what might happen – “as many as X million people could be affected by this”. I wasn’t always sure that there was a sufficient distinction between hard facts as we know them and something having the effect of being presented as fact. If you take someone like Robert Peston on the BBC – remarkably well informed, excellent journalism - it did seem to me at times that when he was coming in with his scoops – he’s just discovered from so-and-so that this will be happening in the next two days – that reporting it in this way was contributing to it actually coming about. **Somehow the journalism was leaving the present and going too far into the future.** Certainly some media were going to great lengths to explain what was happening, for example I normally read the Guardian newspaper on a weekday, and I thought the BBC website was good, with a glossary of terms being used. I was in the US in the relatively early days of the crisis, in Washington mainly looking at the Washington Post and at CNN. A lot of the discussion there was looking at things that are of less importance in Europe – the whole question of is it right for the government to bail out the banks, lots of discussions about “this is socialism, this is not what Americans do”. It seemed to me that the reporting was more measured, more aimed at trying to promote an understanding. Certainly in Washington I did not detect the sort of hysteria and intensity in the way the issues were being dealt with that I sensed in the UK. I suppose you can argue it may have something to do with 24 hour rolling news that there is this monster which needs new information all the time, and what you have with this great financial tumult is that’s it’s not a simple development from A to B. Things change for all kinds of reasons, and trying to keep up with it on a rolling basis was quite difficult and it came over as rather confused at times.



## LAIED ZAGHLAMI JOURNALIST/ASSOCIATE PROFESSOR, ALGIERS

Algeria has the highest rate of TV satellite penetration in the world. In Arabic Al Jazeera, Al Arabiya, Al Ikhbariya, Hiwar TV, Nile TV News and Russia Today are main news sources, and TF1, France2, BFM TV, Euronews, ARTE in French. Access to the internet is not restricted, so ordinary people have many choices. The local private press appears to be the most reliable source of news as it is independent from state control and enjoys margins of real freedom, fairness and objectivity. The worldwide financial crisis was not covered in depth by the Algerian public broadcasters – with authorities arguing that Algeria is not and will not be affected by the present crisis. The local private press, however, has extensively covered and reported on the issue by bringing opposite views, and debates were organized in newsrooms enabling ordinary people to get a clearer picture of events. People feel that what is happening is the outcome of disastrous and outrageous capitalist policies. Capitalism has failed because it does not answer all questions, notably the social and human dimension. I think the media play a positive role in alerting people about foreseeable crises. I don’t think the media are to blame as it is their job to report on traders, wrongdoings, on corruption, mismanagement etc. **Now, as we live with the crisis, the media are badly needed in their watchdog role** to avoid further catastrophes, notably for the poorer countries.

**ANNE SONNENBERG****COMPUTER SCIENTIST, GERMANY**

I don't think the media are to blame. You and me - we rely on the media to provide information, whether that's TV or the newspapers or the radio. This crisis we are in started far away in the US and I thought that there would be no tangible results for me, it would not touch me and my money, and then it was like a snowball effect. I personally feel that the media tried to get a grip on what was really going on and tried to get that information out to the people in a sensible way. Yes, there were headlines but then that was the news. I think that you always have to take what you hear or read with a pinch of salt because it's the reporter's point of view, or it tries to present things as facts but **you know that in most cases this cannot be the whole picture**, it's usually only part of the picture. I have a daily newspaper, a local one, then the weekly Die Zeit which I trust rather because the articles can be more reflective and considered. And I watch TV, mainly the news on the public channels of ARD and ZDF.

**WILLIAM BIRD****DIRECTOR, MEDIA MONITORING PROJECT, JOHANNESBURG**

In South Africa, we have a very low level of fundamental education around basic things, and economic literacy is one of those. So when you start talking about a global financial crisis, people just get a sense of "well, this is too complicated" or of "okay, things are going to start going downhill" but the reasons for this are rarely explained, certainly in our media. Fundamentally where the media are to blame is in explaining and unpacking where this financial crisis started, who's to blame, why it is happening, what impact it is going to have on ordinary people in their daily lives. **We need a lot more basics of economics to be explained to people** so in future we need a lot more emphasis on not just adopting the jargon and technology of those in power but actually bringing that down to an ordinary person's level of understanding. In any crisis, the media have to be careful not to generate panic. On some level this is what some media have done in this financial crisis story - instead of putting things in perspective, they have said: Look, there is this thing, nobody knows where it is going, it is terrible, it is a disaster. Going forward, you'd hope that they would say, given the potential impact on this, especially on poorer societies, we have a moral responsibility to make sure that we report this in a way that is as ethical and responsible as possible.

**ECKHARD BERKENBUSCH****RESEARCHER, LEGAL DEPARTMENT OF POTSDAM UNIVERSITY**

I was just leaving Germany for China when the financial crisis gathered momentum. Overall, here in Germany I would say the respectable public service media are not to blame, they have not fuelled the crisis and created panic. They reported events in a responsible, matter-of-fact way as they are bound to. **You have to differentiate though between serious and less serious media**. For example, we have in Germany investment shows on private TV that try to persuade normal people, old age pensioners to move their money from savings accounts into very risky investments. This is very dubious, very irresponsible. I was in China at the height of the crisis. I would say the Chinese media are very reticent, they report what other international newspapers write, they quote from the New York Times or from the UK Guardian, they don't express their own opinions, they are just a mirror of what is happening in the media around the world. When I talked to people in some of the ministries in China, they were very worried because the crisis is also affecting China seriously. In Guangdong province in Southern China there are many toy factories - thousands of workers have been laid off because orders are not coming in from Europe and the US. The Chinese media are pretty open about the whole thing, they do report what is happening, also about this. ■