

Economics in the Public Sphere

USA, UK, France, Poland and Brazil since 1945

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Newsrooms as knowledge sites

That “we are living through hard times” is a statement that gathers no controversy. Headline news in most western countries tell us that employment and wages are being cut. After worries in 2008-9 about the solvency of banks and financial corporations, it is now the solvency of national states that is in jeopardy. Prospects for growth remain dim.

Economic anxiety has been a feature of 21st century polities. Concerns about economic futures have been with us since the 1970s (Feldman and Aronoff 1980, Weiss and Singer 1987, Fogarty 2005). These anxieties contrast with the 1950s and 1960s when the public imaginary was optimistic and triumphant (Offer 2006). Our economies have changed, and our understanding of them too. Knowledge about the economy shapes the design of national policy and international relations, and it informs individuals' career paths, their planning of consumption and savings, their choices in the ballot box, and more intimately, their evaluations of well being and self worth (expressed in a vast body of public opinion and attitudinal research).

Outside of formal education, the media is the one site where economic experts and the public meet. The encounter is managed by media professionals, their culture and practices. Conventional belief holds that economic reporting is both influential and flawed. At various occasions in the American Economic Association Meetings (in 1963, 1971, 1978, 1985 and 1991) economists have met journalists to (politely) protest each other's language and partisan commitments. Opinion surveys of readers record complaints that the media is biased in selecting dramatic and negative stories about the economy (see for instance, NBC/Wall Street Journal poll of June 1997, Pew Research Center poll of June 2010). Bias(es) has been the core theme of the scholarly literature on “economics in the media”.

The current project takes a novel approach, arguing that the economic newsroom should be studied as a knowledge site. Its thesis is *that public economic knowledge is the outcome of the competition and partnership between three agencies: media professionals, activist publics and academic economists*. Through an in-depth study of economic reporting, this project offers insights into the varied practices and content of communication, of value for the education of journalists, economists and the citizenry.

Journalists, the lay expert and economists

Journalists' choices in scientific controversies have long been a subject of distress for scientists. It has been noted that journalists will endorse a minority view in science if it appears to captivate audiences (Weingart and Pansegrau 1999). Scientists have also protested science's limited salience in the news. Outside the specialist sections, science is a subordinate subject that is worth reporting only in connection to pressing current events (Hansen 1994, Pellechia 1997). Journalists engage in a balancing of the views and interests of scientists and the views and interests of their public. More than a passive translator, or bottleneck, or gatekeeper, journalists are engaged in what science studies scholars call "boundary work." Journalists arbitrate between competing claims of expertise (Gieryn 1999, Guston 2000). They routinely answer the question: who is the expert that can talk authoritatively about this subject? The project sets out to ethnograph the practices of journalists with an eye for the resources they deploy to make sense of events. The language and meanings in the reporting are a record to observe journalists' attributions of knowledge and expertise. Concepts such as entrepreneurship, competition, growth, wealth, well-being and equity can carry multiple meanings.

Mass media is often polemical, sometimes by design, and media audiences on occasion become media participants paying for ads, writing letters to editors, and staging protests against accredited experts and those that print their views. They hold a claim to expertise grounded on tacit and local experience (Wynne 1992; Irwin and Wynne 1996, Martin 1996). The recognition of the lay expert has led scholars into recurring condemnations of what they call the "deficit model" (Trench 2008, Allum et al 2008): the portrayal of the public as gullible and misinformed about science, in perpetual need of education and unqualified to participate in scientific controversy. The same issues emerge in the relationships between economists and for instance, the consumer movements of the 1960s (Gabriel and Lang 1995). The beliefs and reasoning of these social movements (Buechler 2000) contrast markedly with the knowledge expectations of professional economists. For the latter, the uneducated see the economy as a zero sum game, where one's gain is another's loss, whereas they should understand it as a system of incentives driving the aggregate beyond the sum of its parts (Rubin 2003). The arguments of the social movements, couched in the values of grievance and justice, contrast with the language and worldviews of the academic experts. Yet, more so than for natural science, individuals have plausible claims to "know" about their employment, their finances, their well-being, their consumption. In the case of consumer movements, they hold a plausible claim to know about the risk of products, variability in their quality and price, and the marketing strategies of corporations. For the purposes of this project in economic reporting, besides consumers, one has bids for expertise by taxpayers, workers, pensioners, civil servants, and the finance industry. This public, which I qualify as "activist" because of its participative role, claims insights into economic subject matter even if they lack academic credentials. The project will identify and characterize lay expertise in economic controversies and what media strategies were employed to challenge academic experts.

Finally, we must consider the accredited experts, the economists. Economists are often the butt of the joke because of their differing predictions and analyses of the economy, but they diverge less in doctrine than in their sociology. The context of national institutionalization has been shown to shape economists' participation in the polity. Marion Fourcade (2009) studied the sociology of the economics profession and the identities of economists in the USA, UK and France. She has found that the cultural authority of economists in America comes from their qualification, and significantly from their ability to competitively penetrate new work domains outside of academia. In contrast to America's "Merchant Professionals" stand Britain's "Public-Minded Elites" which derive their authority and identity from membership in elite institutions and an ability to communicate economic ideas with eloquence. Finally, in France we have an economics establishment woven into the administrative exercise of public power. Charged with the technocratic values of public interest and service, French economists have held back from incursions outside the bureaucracy. This literature informs the present study by noting that scholars from different national and institutional contexts may approach publicity with different motivations. Expert authority in the USA hinges on public visibility with a separation, if not antagonism, between state and science. For Germany and for France, as well as for other European nations, public visibility might not be a valid strategy to secure authority (Jasanoff 2005, Halfman 2005). In these nations two routes are open to shape policy: one is membership to a few longstanding expert bodies that secure trust and authority, the other is direct participation in the political process, less as economist but as politician (Frey and Eichenberger 1993). One must not take for granted the status of media participation in economists' management of academic or political careers. The project will examine how economists from different national contexts value participation in the media, and how those assumptions shape their relationship with journalists.

Objectives

The project is an historical and sociological study of economic knowledge in the mass media. Its research questions are:

1. How have representations of economic expertise changed over time?
2. How do economic journalists perceive the practice and goals of their reporting?
3. What strategies do social movements employ to challenge and shape media representations of expertise?
4. What role do media performances play in the careers of economists and in their understanding of policy making across nations?

Taken together the questions provide the dimensions that will characterise public economic knowledge and how it emerges from institutional context.

Five national cases: USA, UK, France, Poland, Brazil

The project analyses the content and genres of economic journalism with reference to the practices of journalists, the strategies of activist publics, and the media expectations of economists. A starting assumption for examination in this study is that economic journalism has differed across nations, and across time. Five countries were selected for study, accomplishing a range of diversity in the dynamic between journalism, social movements and the economics profession. Although there has been extensive work on the history and sociology of economic advice and policy in USA, UK and France, comparatively little has been written on economic journalism. Brazil is chosen for its recent institutionalization of economics, where publicity might have played a critical role in the emergence of economists as a policy elite. Poland offers us a case with a cast of world famous economic theorists, but under a socialist regime with a monitored and managed public discussion about economic prospects. Each member of the team will be devoted to a country case.

USA / “Profiles and numbers”

Controversies about knowledge and policy in America are often staged in public display, in courts, in congressional hearings, in op-eds. Economic knowledge entered American mass media through the “great post war story” of growth and prosperity (Yarrow 2006). The magazines, and notably business magazines such as *Fortune*, *Forbes* and *Business Week*, originating in the 1920s began experimenting in the late 1940s with an apologetic genre of coverage that highlighted the achievements of American ingenuity, technology, and business but also the new statistical methods in the social sciences (Mata 2011). Within the same time frame, the *Wall Street Journal* was reinventing itself as a national newspaper of business and finance, and by the end of the 1960s was the largest publication in America, with 1.3 million issues sold daily in 1973 (Dealy Jr. 1993). The success of the *Journal* was the impetus for the expansion of business and financial news coverage in the metropolitan newspapers, often looking for staff in the magazines (Gussow 1984). Economic journalism circa 1980 had two identifiable genres. The long form journalism characteristic of the magazines was imported into the Sunday editions of the metropolitan newspapers, and often took the forms of “profiles” of the men and women in the news, economists, politicians, intellectuals. And a second genre was the number ridden, “he said, she said” reporting that has long characterized the *Journal's* newsroom. In the interim, the relationships between professional economists and the journalists have also changed. Despite longstanding complaints about America's anti-intellectualism (Jacoby 2000 [1987]), there is evidence that economists have increased their media participation, thanks to a trend towards more specialized media informants, and a forsaking of the general purpose public intellectual (Posner 2003 [2001]).

UK / “Opinion as essay”

The historical roots of the economic press in Britain run deeper than in most other nations. The term “economic journalism” is part of the British lexicon, whereas in the USA “business” or “financial” journalism are preferred. Unlike the American press, the UK press has endured much less convulsions and transformations. The *Financial Times* is in print since the late 1800s, *The Economist* is even older, and Britain's political economists have from the start been a force behind

these and similar ventures (Fetter 1965). Despite pressures towards academic isolationism, economists did not abandon their engagement with the economic press until they were replaced in the 1960s by media professionals. Individuals like Samuel Brittain and later Martin Wolf at the *Financial Times*, Peter Jay at the *Times*, William Hutton at the *Observer*, Diane Coyle at the *Independent*, and more recently Evan Davis at the BBC, and Larry Elliot at the *Guardian*, replaced economists as columnists. Finally, there is the magazine *The Economist* which besides the merits of its international coverage has embraced an editorialized, interpretative genre of reporting. Although the landscape of the press has not changed dramatically, the professionalisation of economic commentary is a significant change in the practices of the reporting. And yet, the changes in personnel should not distract us from a continuity, journalists since the late 1960s as economists earlier write as interpreters of the economic situation, national and international. The British columnist is encouraged to “make up his mind” and offer his “own” views.

France / “National narratives”

The media of the interwar period and the Vichy regime had been uniformly discredited by political and business co-optation. Post World War II France sought to reinvent its press, a feature best exemplified by the success of *Le Monde*. Economic journalism played a part in this new media landscape as a specialized and self identified field (Guérin 1991). Although the dominant title of financial reporting came into print at early century, *Les Échos*, the subjects and language of reporting was changed post war. Innovation in new titles was also significant as with the creation of *L'Expansion* modelled on the American magazine *Fortune*, and the even more recent appearance of *La Tribune*. Despite differentiation in new vs old titles, national vs regional, private vs public, new and old regulations (Duval 2004, Kuhn 1995), economic journalism in France has been consistent in its themes and styles, namely an internationalist perspective concerned with the standing of the French nation in the world. Debates of the economic decline of France are the most recurring subject of these publications and the also influential TV magazines, with a division between what one scholar has called “déclinologues” and “déclinophobes” (Bouchard 2006). The focus on national narrative(s) has interfaced well with an economics profession embedded in the bureaucratic state. Civil servants have benefitted from access to the generalist press, revealing journalists's valuing of the insights and opinions of government economists. Yet, circumventing any consensus that might have emerged within the economics profession, economic debates in France include a plural cast of characters. Unorthodox economists, like Francois Perroux, succeeded in the public sphere by penning books on topics of societal concern, and figures like Michel Albert have made careers between media, politics and government (Lebaron 2006). Economists have had to compete for journalists' attention and trust against a variety of other professional groups, sociologists, philosophers, writers, and activists, organized in political parties and of various ideological colors (Fourcade 2009).

Poland / “Design and control”

Poland for most of the twentieth century did not have an independent, commercial press, and from 1948 to 1956 the regime's control of media was absolute. The Polish case is interesting for the paradoxical status of its economics profession. In Oskar Lange and Michal Kalecki, Poland had

economists of international renown who abandoned careers in America or Britain for their commitment to Socialism (Kowalik 1964a, 1964b). Yet, their influence in the press and in politics was limited. Reporting, monopolized by *Trybuna Ludu* the mass daily of the regime, was circumscribed to a politically controlled and commanded script. The “Polish October” of 1956 and the de-Stalinization of the country ended the embargo on economics. For the next two decades, Lange, Kalecki, and authors like S. Kurowski, J. Popkiewicz, and the Aleksy Wakar school engaged in public and academic debate, in publications like the *Nowe Drogi* or *Ekonomista* and forming an independent advisory body to government. Their debate concerned how best to reduce the waste and rigidity in socialist planning. In a controlled media, the public debate was about an economics of control. Yet the economists were not able to hold to this fragile public sphere. In the late sixties and early seventies they were pushed away. In the 1970s parallel to a worsening economic situation a vibrant social movement among Polish labourers began to emerge, which would in 1980 lead to the independent *Solidarność* and a transformation of the politics and policies of Poland, and the resurrection of *Rzeczpospolita* (Kowalik 2002). In this new period debates among economists reemerge and they grow in strength preparing the regime change of 1989. Despite the prominence of economists in public and political life (or because of it) there have emerged few specialist publications to report on business and economic controversies. The Polish case contrasted with the French, British or American, had to weather the impact of a contracting and expanding public sphere. The fragility of public debate was coupled with the challenge raised by social movements (*Solidarność*) seizing control of the economic and political agenda.

Brazil / “Prescribing growth”

Of the countries selected for study, Brazil was the last to have an institutionalized, economics profession. Until the 1970s there was no public recognition of “economists”. Economists participated only as “technicians.” The story of economic reporting in Brazil is therefore one of identification of a new species of expert, “the economist”, as the profession developed its own set of institutions and vied from public attention and political clout (Loureiro 2010). The striking features of economics' late professionalization have been its contentiousness and publicness. Ricardo Bielschowsky (1988 cited in Loureiro 2010) mentions five different groups vying for public and political attention: liberals, developmentists arguing for investment on the entrepreneurial sector, those focused on the non-nationalist public sector, those arguing for the nationalist public sector, and finally a fifth socialist current. These divisions were imprinted into the staffing and identities of economics programs at Universities in Sao Paulo and Rio de Janeiro. Crucially for this study, the initial coterie of polemical professionals had regular access to Rio newspapers as *Correio da Manha* and *Globo*, and Sao Paulo's *Digesto Economico*. The 1964-89 dictatorship changed the assumptions of what could be achieved publicly. Although the economics profession remained fragmented, the increasingly international credentials of economists afforded them direct access to policy circles. The technocratic protection economists came to enjoy, makes currently such public venues as *O Estado de Sao Paulo*, *Folha de Sao Paulo*, *Globo* or *Journal do Brazil*, less a route to power than one to protest. The genre of reporting elicited by this historical trajectory is one showcasing competing diagnoses and prescriptions for the national state. Contrary to the French case, where they were faced by multiple competitors, economists in Brazil are prominent as public intellectuals

debating the future of their nation. The co-evolution of an economic press and an economics profession is the distinctive feature of the case of Brazil.

Three international controversies

The above review suggests a set of starting observations and hypothesis for the study of the national cases. The members of the team will operate within the same conceptual range, and focus their study of national cases to three international controversies: the postwar debates over reconstruction and development in the late 1940s and early 1950s; the crisis years of the 1970s; and in a case of history in the making, the current economic crisis. Although some divergence from these focal controversies is expected, team members are encouraged to draw materials from some of these periods.

Reconstruction and development in the 1940s and 1950s.

The destruction caused by World War II posed an economic challenge without precedent. France, Britain, and Poland were suddenly impoverished. Although the USA saw no significant destruction in its territory, it had converted to a war economy, and it too required restructuring of its production and investment. In Brazil, a marginal participant in the war, the situation was different but comparable. In 1945, the country saw the end of a dictatorship becoming a democracy until 1964. Brazil's challenge was to for the first time open a discussion about its development. In Poland, in 1945-48 discussion is also lively and public, but as explained above, it is repressed until 1956, when the country is allowed to make up for lost time. The issues in all these cases overlap: a focus on industrialization, how to finance it, how to train for it, how to market its output. In all cases too, business interests, workers movements, and professional economists were protagonists of the public debate.

Shocks of the 1970s.

Currency crises were of growing intensity in the late 1960s. Yet, when Richard Nixon announced in 1971 the end of the convertibility of the dollar into gold, few expected it to be the end of the Bretton Woods system. To the transformations in the international monetary system, one must add the 1973 oil crisis, repeated again in 1979, burdening the finances of states and families. After decades of growth, the economy faltered and price inflation emerged as a cause of concern. All the countries of this study felt these events, even if with different intensities and perspectives, depending on availability of national energy resources and reserves, and exposure to international monetary instability. The subjects of this period were how to reorganize the international monetary system, how to control inflation, even how to measure it. The principal protagonists were economists, then much divided about solutions to these problems, workers movements, and consumer movements.

Today's crisis.

The recession that began with the financial crisis of September and October 2008, has been a major media event. Although the principal characters are bankers, politicians and the core debate concerns the regulation of the financial system, a subplot has been the accusation that economics is somewhat

to blame for the economic collapse. While economists are represented collectively at fault, they have also been at the forefront of the commentary and analysis of the current crisis. Unlike the other controversies, a study of the current crisis allows for a greater use of ethnographic methods, in observing the practices of journalists. This can be achieved by observation of newsrooms and in-depth interview with journalists at the financial press, leading the analysis of the crisis: *Wall Street Journal* and *Bloomberg* in the USA, *Financial Times* in the UK, *Gazeta Mercantil* and *Valor Economico* in Brazil, *Les Echos* in France, and *Fakt* in Poland (not a financial daily but the prominent daily). The study of history in the making opens another opportunity which is to apply the insights gained from the historical cases into an open and developing controversy. The project will seek to develop prescriptions on how to bring controversy to a resolution.

Public Economic Knowledge

New research horizons

Members of the research team will be involved with the activities of the History and Philosophy of Science department. Each team member is expected to organize a workshop on the subject of their research where they will have the chance to invite practitioners and scholars. An advisory committee will be set up to provide oversight to the research and team members will have the chance to liaison with the committee members. All team members will be encouraged to participate in the meetings in national and international meetings in Communication and Journalism studies, and in meetings in the History and Sociology of science and economics (HSS, 4S, HES). They will produce articles for peer reviewed journals and book length manuscripts.

The project envisions new research horizons by uncovering a rich fabric of controversies, agents, and national contexts. With such record, philosophers of science may disentangle more adequate models of expertise that fit national culture and the uncertainties of economic history.

Communication scholars and public opinion researchers will find that the project does not study audiences. But from its conclusions a lexicon of representations of expertise will generate hypothesis for the measurement of media effects and audience's understanding. For scholars in the history of economics and economic policy the study offers a novel frame of reference for the study of economic research and its public credibility. The project's ambition is to accomplish a study of “communication as knowledge practice” and “knowledge as communicative practice.”

New policy horizons

A crucial challenge to our contemporary democracies is to reduce uncertainty about economic knowledge in a rapidly changing world. Progress in the communication of economic knowledge requires more than instructing journalists to listen to academics, or instructing economists to engage with the public. Media professionals perform a crucial role in our polities, as they are required to parse contending claims of expertise, drawing from a multitude of resources, from accredited expertise to the local knowledge of the public. The project contends that there is not one, best way to public knowledge. It identifies a variety of genres of economic journalism that are a platform for public support of economic action and policy.

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