

# Opening statement to Committee of Inquiry into the Banking Crisis<sup>1</sup>

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I am grateful for the opportunity to discuss with the committee the role of the media, as part of the 'context' phase of its inquiry into the banking crisis. I understand from your invitation that you wish to discuss the following: the role in mainstream media for scepticism about the sustainability of the housing boom or the strength of the broader economy; potential conflicts of interest among media organisations; the promotion of property ownership over other forms of tenure; and the prevailing view that there would be a soft landing. In my opening statement I will address these in broad terms and am happy to explore them more specifically thereafter.

Print and broadcast media in Ireland played an immeasurable but almost-certainly significant role in the inflation of the property bubble and the legitimisation of risky behaviour by the financial-services sector in the lead-up to the crisis of 2007-08, and did so partly by ignoring or marginalising scepticism about these phenomena. I will focus in my statement on the newspaper industry, and I will argue that this socially destructive role should be understood not as a 'failing' of Irish newspapers but as a feature, one that flows predictably from commercial media's structural relationship with the corporate forces that benefited from the bubble. While this relationship is of very long standing and continues, to some extent, to this day, I will further argue that there were certain aspects of the development of newspapers in the 1990s and early 2000s – particularly acute in Ireland but also experienced elsewhere in the world – that made them especially vulnerable to domination by those forces, and weakened the capacity of journalists to play the critical, adversarial, investigative role that most of them undoubtedly value.

Within journalism and in research about journalists, that value is often referred to as 'professionalism', a term that encompasses a set of principles and performances that supposedly drive journalists to seek the truth impartially and to question the powerful doggedly. Although Irish journalists, in my experience, have a healthy hesitancy to shout too loudly about such principles, I believe most of us (I still count myself as a journalist) espouse them honestly. There are captured in such largely symbolic documents as the National Union of Journalists' code of conduct and the Code of Practice of Press Council of Ireland. I won't romanticise the journalism of an earlier age, which had plenty of its own problems, many of them involving the limits and shortcomings of professionalism itself. However, over the last 30 years or so these principles are widely understood to be increasingly at risk all over the world, with particular features of the media landscape endangering them. As the leading American scholar of journalism Daniel Hallin has written: 'For the most part I don't think journalistic professionalism is breaking down from the inside, by journalists becoming less committed to it; instead I think professionalism is being squeezed into increasingly smaller niches within the media field' (Hallin 2006).

It is my contention that in Irish newspapers we can quite literally see that ‘squeeze’ occur over the period between about 1990 and 2007, as the physical construction of newspapers changed. There was an inscription of an unquestioning pro-business ideology and practice on to increasing large, advertising-heavy proportions of the newspaper – with ever-growing business/finance, property and lifestyle sections, dedicated to the advertising of, respectively, recruitment, real-estate and consumer goods and services. Even the most scrupulous of newspaper editors came to see those sections as a realm of, at best, what you might call ‘Professionalism Lite’, where soft treatment of the rich and powerful was expected. Even if you worked in the niches where full-blown professionalism still held sway (the journalists who filled news pages and provided political coverage, for example) it was hard to miss the message embedded in that big, colourful product about your employer’s relationship to financial institutions, property interests and other corporate bodies. Those supplements were, after all, paying the bills. When Irish Times Ltd infamously paid €50 million for myhome.ie in 2006, it appeared to confirm its dedication to what increasingly looked like its core business: advertising property sales. This has obviously consequences, of course, for the newspaper’s capacity to deal impartially with subjects such as the desirability of property ownership over other forms of tenure, or the related question of the ‘soft landing’.

A group of Irish financial journalists, speaking on condition of anonymity to a team of academic researchers who published their findings in 2010, discussed this issue. One of them said: ‘Much of the mainstream media seems to me to be very conflicted because of their reliance on real-estate and recruitment advertising. That doesn’t mean reporters consciously avoid writing bad news stories, but it’s hard to run against the tide when everyone is getting rich.’ Another stated that journalists ‘were leaned on by their organisations not to talk down the banks [and the] property market because those organisations have a heavy reliance on property advertising’ (Fahy et al 2010: 15).

In 2006 I myself interviewed dozens of journalists about the direction of the Irish Times. One of them, retired from the paper, said: ‘In the mid-1980s... we had a series investigating the truth behind buying and selling property. Can you imagine that now?’ Even in the 1980s, he recalled, ‘[t]he commercial side of the paper [i.e. those who sold advertising] were in complaining like nobody’s business’ about the series; but the then-editor, Douglas Gageby, ‘stood up to them’.

The idea that certain, then-small parts of Irish newspapers were professionally compromised territory, however, was already in the air as early as the 1980s. A former business editor from Independent Newspapers recalled a lunch from that period where journalists and brokers gathered to mark the appoint of a new president of the Irish Stock Exchange:

The lunch went well and all the proprieties were observed, until, during the port, the topic of mutual dependence came up in the conversation. ‘What do you mean, mutual?’ a rubicund and slightly tipsy broker ventured. ‘The business pages are ours. We own

them.’ .... Trudging back to the office... I admit an icy feeling was coursing through my veins. Maybe, the chap with the English public school accent was right. He was implying that we were lazy, dependent and largely uncritical. More chillingly still, maybe our employers (who shared the same gentlemen’s clubs with the brokers) were happy with such an arrangement. (Bourke 2008: 61-62, quoted in Fahy et al 2010: 7-8)

By the time of the Celtic Tiger, this compromised turf of business and financial journalism had expanded many times over both in the volume of pages produced and in the number of journalists employed. In that important and revealing research cited earlier, the authors summarise the views of several of the Irish financial journalists they interviewed:

According to Journalist F, because of the need for regular contact with financial sources, ‘some journalists are reluctant to be critical of companies because they fear they will not get information or access in the future’. Journalist E... believed that some journalists had become ‘far too close to their sources’: They viewed them as friends and allies and essentially became advocates for them. Their approach was justified editorially because many developers and bankers limited access to such an extent that it became seen to be better to write soft stories about them than to lose access. Extremely soft stories would be run to gain access too.... Journalist B criticised daily financial journalism for being ‘almost entirely press release and stock exchange disclosure based’.... Journalist F noted, it was ‘well known that some PR companies try to bully journalists by cutting off access or excluding journalists from briefings’. (Fahy et al 2010: 13, 14)

Many of the Irish journalists interviewed for that research said the business media here had become more adversarial since the crash. However, in research among British journalists in the aftermath of the financial crisis, a study found there was ‘no consensus among financial and business journalists about their “watchdog” role in relation to markets and corporate behaviour’ (Tambini 2011: 158).

This sort of ambivalence, to put it kindly, about telling good, tough stories while maintaining source relationships is not unique to financial and property journalism. However, as the role and prominence of those sorts of journalism increased exponentially in the 1990s and early 2000s, their particular compromises of ‘professionalism’ played a proportionately much bigger role in newspaper coverage of these important areas of the economy and society. Their growth was not inevitable, nor was it unique to Ireland. It was part of an international development in the newspaper industry that sought to diversify papers’ content and appearance to make them more attractive to advertisers and (to a lesser extent) readers. In the United States in the late 1980s and early 1990s this came to be known as ‘total newspapering’, with a de-emphasis on ‘news’ and -- here’s the ‘total’ part -- an effort to break down traditional barriers between editorial and commercial considerations (Underwood, 1993). Also known as ‘market-led journalism’, it was already worrying journalists cited in British research in the 1990s: ‘Among

journalists there are fears that the delicate balance between the self-interest of capitalist media owners and the 'public interest' motives of journalism has been upset.... Some journalists have come to believe that the news is being stolen from them' (Bromley 1997: 331). This market orientation does not express itself merely in the growth of financial and property journalism, but in the explosion of entertainment, lifestyle and consumer-oriented sections and stories. As one scholar summarises it:

When market orientation is high, journalism gives emphasis to what the audiences want to know at the expense of what they should know.... Audiences are not addressed in their role as citizens concerned with the social and political issues of the day but in their role as clients and consumers.... A journalistic orientation to the logic of the marketplace crystallizes in a journalistic culture that provides help, advice, guidance, and information about the management of self and everyday life.... The materialization of infotainment news and lifestyle journalism exemplifies this trend toward a blending of information with advice and guidance as well as with entertainment and relaxation. (Hanitzch 2007: 374)

These developments in newspapers did not, of course, happen by accident or in isolation. They were a vital cultural component of the larger global development of politics and economics over the last three or four decades that we have come to call neoliberalism. 'Neoliberalization required both politically and economically the construction of a neoliberal market-based populist culture of differentiated consumerism and individual libertarianism' (Harvey 2005: 42).

It is important to note that we shouldn't blame most journalists individually or collectively for this situation. Nor have they been its obvious beneficiaries. Even in Ireland, where the booming economy helped newspaper circulation and profitability to remain healthy past the year 2000, a journalistic culture of increased workloads, casualisation, rapidly changing technological expectations and declining real rates of pay was in place throughout the industry even before the wider bust of 2007-08. When I interviewed newspaper journalists in 2006, many of them told me that their capacity to engage in critical scrutiny of government and business was overwhelmed by the day-to-day pressures of filling ever-more space in print and online: the old newsroom where reporters worked within fields of specialisation and might labour for days and weeks on stories before publishing anything had already changed beyond recognition. The job of careful consideration and analysis of events was largely left to a small coterie of editors and senior political writers, who generally rose to those posts through a combination of caution and conservatism. As research elsewhere has also suggested, journalists who continued to feel that they should be doing hard-hitting, critical scrutiny of powerful institutions felt disempowered from doing so. It is not surprising that a reputable transnational 'scorecard' of journalism's coverage of the financial crisis found that in Ireland, most stories were episodic and short of analysis (Marron et al 2011). These conditions have, if anything, deteriorated further in the intervening years of collapsing circulation and desperate digitisation: as one leading scholar has

put it, the prevalent online-media practice is 'encouraging journalists to rely more on a restricted pool of tried-and-tested news sources as a way of generating increased output. And in general, it is giving rise to a more office-bound, routine, and scissors-and-paste form of journalism' (Curran 2011: 469).

Such conditions also provide the context for the increasing power of the public-relations (PR) industry. As noted above, the capacity of PR officers to give and withhold the information that hard-pressed journalists require in order to do their work gives them an inevitable influence over content, to the benefit of their state and corporate clients. An even more insidious form of PR influence comes in the form of 'flak', the negative attention and pressure that comes upon journalists when they attempt to report on sensitive stories. In theory, flak can come from any side of a story; in practice, most of it comes from the sides that can afford to generate it at a volume and with a social standing that catches the ear of editors. For most journalists with a busy job to do, this sort of thing becomes a good reason to ignore a story, or at least avoid its more 'controversial' elements. (See, e.g., Browne 2014.)

For reasons of space, and because it was not a specific part of the brief, I have not greatly addressed the question of media ownership in this statement, though I am happy to do so hereafter. The enormously high concentration of media ownership in this State is of course a major danger and fundamental public concern. As one academic analyst has written: 'Even though there is now a plethora of media outlets, and citizens and civil society can publish media content more easily than ever, there is still an ever-increasing threat to pluralism given the domination of a limited number of organizations that control the flow of news and the contours of public debate' (Fenton 2011: 70). However, ownership of media cannot tell the whole story about them: the *Irish Times* is owned by a trust, but has not been immune to the commercial pressures discussed here. RTE is owned by the people of Ireland, but its role in broadcasting non-news-and-current-affairs-based 'property porn' in the Tiger years certainly bears scrutiny. On the other hand, the State broadcaster did some of the best work questioning the property bubble, and its journalists broke one of the big banking scandals of the late 1990s, about National Irish Bank's Isle of Man accounts. It is worth noting, in fairness, that the *Sunday Independent*, and specifically a non-financial journalist there, broke another, about AIB's allegedly non-resident accounts (Fahy et al 2010: 9).

The committee has asked me to address potential conflicts of interests among media organisations. Based on much of what I have said here, it is tempting to conclude that there was no real conflict of interest at all, but rather a congruence of interests between media organisations and the developers and financiers who were cashing-in handsomely on a speculative bubble. While there would be some truth in such a conclusion, it would also be excessively simplistic, because journalists, and the organisations that employ them, do also have an interest in producing strong stories that challenge conventional thinking and afflict the

powerful. Indeed, nothing in what I have said here should be interpreted to mean that they do not sometimes do precisely that. The purpose of this analysis is not moral condemnation, but to understand why, in the specific context of Celtic Tiger Ireland and also beyond that context, the congruence might have been stronger and more influential than the conflict. While much of the professional practice of journalism is conducted with an acute awareness of 'how it should be done', nonetheless a plethora of other influences determine the shape and content of the journalistic product, leading to biases in favour of, e.g., 'talking up' the economy and the market, home ownership and the soft landing. How this happens is complex and contingent, located where newspapers find themselves, at an intersection of daily events, longer-term history, commerce, design, technology, routine, process, pressure and, not least, economic and political power -- an intersection traversed by the workers in a newspaper on a daily basis.

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