

Well-being indicators as a reference for Economic Journalism

Filipe Domingues

“How can it be that it is not a news item when an elderly homeless person dies of exposure, but it is news when the stock market loses two points?” That strong question raised by Pope Francis (*Evangelii Gaudium*: 53) has the obvious intention of criticizing injustices in the economy. But it is also about the media, or, more specifically, about economic journalism. Why does this kind of specialized journalism follow so little some economic dimensions of life that affect our well-being?

To measure how well an economy is doing, Gross Domestic Product (GDP) has become the most important guide since the 1930's. GDP is about economic growth, but it has never totally fulfilled the mission of measuring well-being. GDP is the total dollar value of all goods and services produced by a country in a specific time-frame. It is used to measure the size of an economy, to determine its vigor and to quantify prosperity at the same time.

However, many countries have developed new indices to measure prosperity, well-being, or, ultimately, happiness. They realize it is impossible to gather in one number all of the objective and subjective dimensions of human life. Yet, for the most part, GDP is still the only prosperity indicator that economic journalists watch carefully.

In our information economy, journalism has a crucial role. Newswires distribute data to traders and investors worldwide every second. This essay notes that economic journalism follows mostly a quantitative and financial approach to the economy—to which GDP responds better—giving little attention to newer prosperity indicators. Our goal is to encourage journalists to watch indicators more carefully that describe the economy from a human perspective.

1) The role of economic journalism

It might be necessary to define “economic journalism” as opposed to “financial journalism” or “business journalism”. “Economic journalism” implies a more inclusive formulation to what journalism can do for the economy than these other terms, although, some authors use these similar expressions in a broad sense too.

As used today, the term *business journalism* refers to all reporting and writing that is written not only about businesses but also about the economy. In addition, it commonly includes other elements such as labor, workplace, technology, personal finance, investment, and consumer reporting, in addition to investigative reporting focusing on these topics. Some consider business reporting to be all reporting about business, even though the story may not have a strict business angle (Roush 2011: 8)

Roush provides a helpful summary of the history of economic journalism. In the Paleolithic age, humans communicated about economic achievements with cave drawings. The creation of numerical and writing systems had economic roots as well. The first economic newsletters appeared in 1568, created by the Fugger family, who loaned money to the nobility all over Europe. The Fuggers sent out correspondents to report on business conditions, prices and services in different cities, starting a «complex system of providing information about business and the economy in an almost instantaneous way» (Roush 2011: 14).

But the concept of commerce appeared only in 17th and 18th centuries. Accordingly, the first newspapers were directly connected to economic issues. When the bourgeoisie was born, in the 1700s, newspapers carried news on commerce and business (Roush 2011:14-20).

The first investigative journalists emerged in early 20th century, the so-called “muckrakers”, who investigated social problems and corruption in politics and corporations, «taking hold of public opinion» (Roush 2011: 39).

Still, the 1990s were decisive for economic journalism. The “neoliberal turn” in the 1970s-1980s made free market ideas become dominant. The neoliberal agenda took control. Journalism that was focused on finance became more attractive and necessary.

Boosted by the decade-long rise in the stock market, the rapid development of the Internet as both a tool for business to sell products and services and for the media to distribute news and information almost instantaneously, and the resulting hoards of overnight millionaires, business reporting became caught up in the hysteria and went along for the ride (Roush 2011: 152).

That approach still prevails. “The market” represents one of the most imperative economic institutions in contemporary society and it has become a key word in political discourse all over the world (Swedberg 1994: 255). But absolute free market ideals associated to finance challenge economic journalists with some ethical questions.

Tambini analyzes certain issues that are part of a “financial journalism *ethos*”. He assumes all kinds of journalism are based on a “social compact” of rights and responsibilities. Society gives several “immunities” and privileges to journalists, in recognition of the social benefits that they can provide. The access to sources, events and data is given to economic journalists under the prerogative of using that information for the benefit of the public.

Still, Tambini questions: to which “public” do economic journalists respond? Some professionals believe their main commitment is to their readers, the financial community. Others say their first boss is the company that pays their salaries. A third group sees journalism as a public service or an instrument to

improve society. They believe economic journalism can be a sort of civic journalism (Tambini 2008:10).

In this context, three aspects challenge economic journalists, according to Tambini. The first two are *speed* and *productivity*, where pressure has led journalists to write more stories in less time, damaging accuracy and discernment. Journalists must rely more on public relations agencies, who influence the selection, verification and presentation of news. A third factor is *complexity*. Economic stories are more complex and specialized than before. Sometimes, the lack of skills among journalists adds to their reliance on intermediaries in interpreting the facts (Tambini 2008: 19-21).

2) Journalism and well-being indicators

Speed, productivity and complexity do not help journalists to look at alternative prosperity indicators. While GDP is composed of one single number, other indices comprise a complex multidimensional approach to human life. For instance, the Italian BES (*Benessere Equo e Sostenibile*) involves 12 dimensions: Health; Education and Training; Work and Life Balance; Economic Well-being; Social Relationships; Politics and Institutions; Security; Subjective well-being; Landscape and Cultural Heritage; Environment; Research and Innovation; and Quality of Services. Most journalistic stories about BES in the Italian media underline its most obvious “Economic Well-being” aspect, almost ignoring all the others (Amato 2015; Colombo 2015; Corriere della Sera 2015).

One of the reasons why GDP prevails, according to Anderson (1991: 47), is related to transformations in society in the 18th and 19th centuries, when a “quantitative economics” took over. An emphasis was put on explanations about *what happens*, not on evaluating what happens with moral criteria. In the 20th century, the process held its breath. If one calls “progress” only growth, he ignores three other issues: a) human economics; b) natural economics; c) the economy as a moral issue.

In this sense, Layard asserts that progress should be measured in a way that can guide policy, because «policy is the one that leads to the greatest progress» (2009: 1). Policy is about a “combination of outcomes”, and that is why “happiness” is the best measure of well-being (Layard 2009:4). It can be measured through the same variables usually observed by policy-makers—as exemplified above in BES.

Relating that to journalism, Puliti (2013:43) says that “technical rationality” is one of the reasons why the neoliberal discourse has been so easily accepted by the media. Neoliberalism promotes rationality and neutrality attached to values like freedom and individual rights. Most sources of economic news are private banks, traders, fund administrators, former government ministers and heads of central banks trained in the neoliberal school.

In the same direction, Kucinski says neoliberalism and finance contradict the promotion of the common good through economic journalism: only a few elitist liberal publications guide economic media tendencies—*The New York Times*, *Washington Post*, *Le Monde*, *The Guardian*, *Financial Times*, *Wall Street Journal*, *Times* and *The Economist*, together with newswires. They have defended free enterprise and promoted liberal democracies, highlighting the largest economic groups (Kucinski 2007: 184-185).

Among the permanent traits of ideology in economic journalism are the choice of capital and its accumulation process – not man – as the main object of concern, news optimism and indifference to structural issues. The choice of capital and not of man as a subject in their stories and as an object of their concern stems from the free market ideology in its various manifestations, from marginalism to neoliberalism. (...) For similar reasons, economic journalism is careless in dealing with structural and chronic problems such as hunger, unemployment, lack of housing and transportation, global inequality,

international monetary disorder (Kucinski 2007: 188-189).

Conclusion

We do not need to eliminate or ignore GDP and its crucial role for economic agents and journalists. However, we must question its dominance as *the only* reference for measuring prosperity. Economic journalists should be the ones doing that. Their public role is about contributing to policy-making and well-being indicators are quite accurate for that mission.

Becchetti’s comments on the BES can be applied to most alternative well-being indicators. They help us to analyze multifaceted issues. «We have to change the glasses with which we judge our socio-economic reality. When we drive a car or decide to buy a house, we base our assessment not only on the speed of the first or the price of the second, but on a much more complex set of factors» (Becchetti 2015).

By following those indicators, «we leave the slothful debate on the decimal number of the “zero point” of our growth to address the crucial issue of the quality of our life.»

Bibliography

- Amato, R. 2015. “Aumenta il benessere ma giovani e Sud sempre più esclusi.” *La Repubblica*. 03 December.
- Anderson, V. 1991. *Alternative Economic Indicators (Routledge Revivals)*. New York: Routledge.
- Becchetti, L. 2015. “Il Benessere e le scelte giuste.” *Avvenire.it*. Access: 03.12.2015. www.avvenire.it/Commenti/Pagine/un-intero-cruscotto-per-fare-le-scelte-giuste-.aspx.
- Colombo, D. 2015. “Una Mini-Ripresa Trainata Dai Consumi.” *Il Sole 24 ORE*. Access: 04.12.2015. (www.ilsole24ore.com/art/notizie/2015-12-3/una-mini-ripresa-trainata-consumi-063523.shtml?uid=ACO3rDmB).

Corriere della Sera. 2015. "Istat, migliora situazione economica ma non per tutti: più difficoltà al Sud." Access: 04.12.2015.

(www.corriere.it/economia/15_dicembre_02/istat-migliora-situazione-economica-ma-non-tutti-piu-difficolta-sud-be5edede-98eb-11e5-85fc-901829b3a7ed.shtml).

Francis. 2013. *Evangelii Gaudium*. Vatican City: Libreria Editrice Vaticana. Access: 03.08.2016. (w2.vatican.va/content/francesco/en/apost_exhortations/documents/papa-francesco_esortazione-ap_20131124_evangelii-gaudium.html)

Kucinski, B. 2007. *Jornalismo econômico*. São Paulo: EdUSP.

Layard, R. 2009. "Why subjective well-being should be the measure of progress". In: *OECD world forum: charting progress, building visions, improving life, 27-30 Oct 2009, Busan, Korea*. Access: 25.11.2015. (eprints.lse.ac.uk/47424)

Puliti, P. 2013. *O juro da notícia: Jornalismo econômico pautado pelo capital financeiro*. Florianópolis: Editora Insular.

Roush, C. 2011. *Profits and Losses: Business Journalism and Its Role in Society*. Portland: Marion Street Press.

Swedberg, R. 1994. "Markets and social structures". Pp 255-282. *The Handbook of Economic Sociology*. 2005. Smelser, N. J. and R. Swedberg, edited by. New Jersey: Princeton University Press.

Tambini, D. 2008. *What is Financial Journalism for? Ethics and responsibility in a time of crisis and change*. London: Polis LSE.