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**THE ORDINARY READER IN THE HISTORY OF
BUSINESS NEWSPAPERS:
A MISUNDERSTANDING**

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“Be that a financial boom or a financial fall, rich men always win ; the scrupulous man who takes the subway shall always suffer, because he does not deal with the problem of understanding what is going on around him and supposing he did, he wouldn’t have sources to understand from, there is no one to explain him.”¹

¹ Interview with George Brailoiu, Romanian businessman, November 2010; from the article “The air selling billionaire”, BUSINESS Magazin, December 2010

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When I first descended from Summertown to Norham Gardens, I realised that these would be the best three months of my academic life. Oxford, with its architecture, its stories and libraries, with its thousand of classes the students have access to, with its dinner protocols and especially with its micro cosmos created by students from all over the world, was for me the ideal place to think about my future career and about the things I wished to do. I did not lack guidance during all this process. I received an enormous help from John Lloyd – Director of Journalism at RISJ and this paper’s supervisor - whom I would like to thank in particular for the way in which he shared with me not only his long experience at the Financial Times, but also ideas, thoughts, stories and understanding of the culture I was coming from. Many thanks also go to James Painter – Head of Fellowship Programme at the Reuters Institute – for his patience and his willingness to help us absorb the best from this Fellowship.

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INTRODUCTION

From the beginning of the financial crisis, the business and financial media witnessed an increase in interest from their audience. The crisis was a big and important moment for them, as they had the opportunity to show their meaning and role for the whole of society, and not just for the business elites.

The business media are responsible for the delivery of analysis and useful information to private companies and entrepreneurs. The last few years and the difficulties that came with them showed that the general public who lack financial education also want to understand this kind of information. At times when events happened which disoriented the average consumer as they heard news they could not understand, some of the business media – whether newspapers or broadcasters – explained the news and their consequences in an accessible tone. Whether they did a good job or they managed to explain to the reader the real facts and the big picture are questions to be answered only further in the future, when we shall be able to analyze the impact and role the media played in the crisis of the late 2000's.

The question that lies beneath is if they should have done it. Some say that the business media have always educated their readers and that “the business paper is the most potent way of continuing our education in the adult world”.² It is in some ways true that the crisis brought an increase in the business media consumption and in some ways led to the financial education of the reader. However, is it the media's role to educate the reader or just to deliver pure information? Could we thus consider the economic crisis as phases in the consumer's financial education?

Most mature markets have strong public broadcasters that fulfil some of the educational role that the media should provide. However, this is not the case in emerging European countries, especially in Romania, as the last 20 years have seen the weakening of public service broadcasting. At the same time strong commercial media have developed mainly by covering entertainment and politics. Financial media was around all the time, even as a niche product, and more newspapers and magazines tried to find the consumer who was interested in the market.

² Julien Effenbein, *Business journalism*. Harper&Brothers Publishers, New York, 1960, p. 22

This is the point where a comparison between the UK and Romania could show important differences in reporting and explaining the business news. The UK media have been the main model for developing business journalism in Romania. Even if there are important differences in the models the two countries apply for communicating business journalism, both should take similar steps to reach the ordinary reader.

Business media is not a new story. One of the first news provider in the world (as letters, not yet newspapers) appeared in the late 15th century, covering banking, trade or political news³, as the elites – who could afford to buy it - needed information about business and macroeconomics more than lifestyle or community news. During the following centuries, economic journalism and press emerged precisely within this economic context.⁴ Considering it got off to a good start, how did it happen that financial media became only a niche product in the 20th century? In addition, can the present economic situation bring the business news into the first line of audiences' interest? How and, most important, why should this happen? Who would mainly benefit from this?

Keeping this in mind, the main questions to be answered by this paper are firstly, how business journalism can attract the average reader without losing the specialized reader; how did the business media manage to cover and explain the crisis; how can editors balance the information to please the specialist and the non-specialist reader; how much of the recent interest in business news is due to the crisis and how much of it is related to the society's real desire to understand the world; what impact will new media, tablets or the democratization of once exclusivist information have on economic news; what are the trends to be expected in the business press in the future; and what would their wider impact be on the development of society. In order to answer these questions, this paper will review some of the existing literature dealing with the transformation of the media over time; it will identify the main features of the coverage of business news in the UK and Romania; and it will present answers to all the questions above given by editors and scholars consulted for this paper.

As an attempt to look into the editorial strategies of making business news, this paper is governed by a pragmatic approach. I believe that business media can influence and shape the way in which our societies function and that a closer look into their practices might help them work

³ Id. 1, p. 196

⁴ Ioan Lumperdean, Romanian Economic Journalism In Transylvania In The First Half Of The Nineteenth Century. Romanian Cultural Institute, Cluj Napoca, 2005, p. 17

better. I believe that enhancing the writing and ways of communicating financial information to all readers is a further step towards democracy and to real and free access to information.

CHAPTER 1

BUSINESS NEWS: BETWEEN NICHE AND MAINSTREAM

“We are all traders, exchanging some skill or talent or product or possession or know how, for money or for something else of value we need or want or cannot produce ourselves. All these exchanges of goods and services for money take place in some specific marketplaces, and create business news.”⁵

The definition above given by an enthusiast of the genre in the mid-20th century might be sufficient to convince every reader to feel the need for daily financial information.

Even if they are considered to be niche products, the history of the print media shows us that financial newspapers did not develop separately to other media products such as mainstream newspapers, which had already become very popular, but in parallel with them. Moreover, history also shows us that the first readers of newspapers - the elites- had a special need for the financial press and information to help them develop their businesses.

The question about the difference between the financial newspapers and the general newspapers that include financial data is still pertinent today, even though the differences between them have become even clearer.

Of course, we all know what a newspaper is, but how did the scholars define it? Historians during the twentieth century seemed to have settled on a definition that was succinctly rendered in a 1930 *Journalism Quarterly* article by Eric W. Allen, who adapted it from Otto Groth’s *Die Zeitung – Ein System des Zeitungskunde* published in 1928. The definition requires seven components, or consists of seven characteristics, and it is the definition most often used by modern historians. Allen and Groth said that a true newspaper must be periodic, mechanically reproduced, available to all who pay for it, and its content must be varied, general, timely, and organized.⁶

However, a look at the business press would suggest that it needs a wider definition. According to one recent definition, the business paper shows a “continuous textbook of adult education for managers, both in its editorial and advertising columns”,⁷ and a set of clear functions:⁸ an adult education function (information on management, maintenance, materials handling, methodology, marketing and merchandising), a news function, an editorial function (interpreting the meaning of news events and forecasting trends), a forum function (a meeting place in the editorial columns for discussion and criticism by the readers), a research function (through market analysis,

⁵ Id 1, p. 47

⁶ E. Martin, David A. Copeland, *The function of the newspapers in the society. A global perspective*. Praeger Publications, United States, 2003, p. 2

⁷ Id 1, p 264

⁸ Id 1, p 33

audience and readership surveys, development studies), a public relations function (giving information to its various publics: advertisers and potential advertisers, readers, news associations, news wires, institutions, markets, government) and, last but not least, a public utility function (the responsibility for informing the reader about all sides of important questions).

1.1. THE EARLY HISTORY

The history of the financial press started in the eighteenth century, along with the appearance of specialized and niche products. Nonetheless, if one looks back to the past, one can see that the need to spread financial information emerged from the end of the fifteenth century. The first Business paper published was *Neus Zeitungen* of the House of Fugger, which was a business journal that was well known to merchants during the fifteenth and sixteenth centuries. The mercantile House of Fugger, from Augsburg, at its peak, 'lavishly supplied the exchequer of the Holy Roman Empire, shaped the policies of the Hapsburgs, financed foreign kings, worked intimately with princes and popes, owned and operated mines, banks, chain stores and its own business service'.⁹ In a world without multiple printing or electrical communications, the Fuggers devised an elaborate chain of newsletter systems, organized their own news gathering services, and 'kept their world-wide clientele remarkably well informed on trade and politics, both local and international'.¹⁰

The financial press has always been differentiated from the general press due to its way of collecting information, having an everlasting need for high-class sources, ministers, ambassadors, stock markets and decision makers from this area, and powerful businesspeople. Access to these individuals transformed the specialized journalist not only into someone who was familiar with receptions, but also into someone capable of understanding the financial processes and mechanisms that were moving their wheels. Also, the business press had access to the important decision makers, whom it could pay in exchange for information, so many of these financial newspapers survived longer than the more general newspapers.

By the mid-eighteenth century, one can find the financial press in the majority of the world's economies, in a more or less developed state. Europe led the phenomenon, but there were specialized newspapers also in Argentina, China and South Africa. By 1845, there were 24 British business papers. By 1937, this number had increased to more than 600, out of a total of 2280 publications.¹¹ On January 8th, 1888, the *London Financial Guide* was launched, being renamed the *Financial Times (FT)* a month later. Describing itself as the friend of "The Honest Financier and the Respectable Broker", it was a four-page journal. Establishing itself as the sober but reliable "stockbroker's Bible" or "parish magazine of the City", its only rival was the slightly older, but editorially stronger, *Financial News*.¹² In 1893, the *FT* became light salmon pink in

⁹ *Id.* 1, p. 108

¹⁰ *Id.* 1, p. 109

¹¹ *Id.* 1, p. 196

¹² Romesh Vaitlingan, *The FT guide to using the financial pages*. FT Prentice Hall, London, 1996, p. 284

colour, to distinguish it from the similarly named *Financial News*. From their initial rivalry, Brendan Bracken merged these two papers in 1945, to form a single six-page newspaper.

The 20th century and industrialization brought with it huge interest in financial information. Every industrialized country has a business press of some sort. Julien Elfenbein's survey of the business press of 16 such countries (the US, Australia, Belgium, the UK, Canada, Czechoslovakia, Denmark, Holland, France, West Germany, Italy, Japan, Norway, Sweden, Switzerland, and the Soviet Union) shows that, in 1958, reveals that 14,507 different titles were being published in these countries, with a combined readership estimated at over 138 million. The advertising revenue in the UK, Canada, the Netherlands, West Germany, Sweden and the US was, in 1958, \$916 million, out of a total of almost \$2 billion (the total advertising market in these countries). The smaller or less important countries in Eastern Europe are not included in such studies, but the business newspaper phenomenon was developing well in these areas also. In Poland, we find the first traces of a business newspaper in the 17th century, while Bulgaria already had two business publications by the beginning of the 19th century.

The Romanian interwar historiography was under the overwhelming influence of the great union of 1918. New elements appeared, triggered by the new economic, political, institutional, demographic, social, and cultural developments, as well as by the expanded contact with western civilization, although the beginnings of the economic media lie in the previous century. The honorary founder of the economic press in Romania, George Baritiu, founded a journalism school in Brasov and, through his three newspapers, struggled to introduce railroads into Transylvania in 1847 and promote Romanian agriculture and products to foreigners. "George Baritiu was between 1838 and 1850 one of the few Romanian intellectuals who, without dispensing the cultural and educational needs, understood that the cultural and political enthusiasm of Romanians was organically connected to the development and organization of the national economy, as social progress is entirely grounded in its strength and creative potential."¹³ In the first half of the 19th century, 76 publications, 21 of which dealt mainly with economic issues, were released within Romania,¹⁴ amid the large economic transformations and modern social and political aspirations. Meanwhile, significant amounts of news, information and articles on economic issues were published in regular journals. The bases of the Romanian economic press were thus laid. In Transylvania, this media genre materialized and singled itself out in the first newspapers released within the economic and cultural environment of the city of Brasov between 1800 and 1850.¹⁵

Although the history of the press places them in similar start positions, Eastern and Western Europe diverge widely after the Second World War, a period of intense socio-economic development. While the Western press, both the general and niche type, was gaining in prestige and experience, that in Eastern Europe underwent a gradual decline: based on the enforcement of the Communist Party's doctrines, an increasing number of countries lost their freedom of speech, censorship appeared and some popular interwar newspapers closed down. In Romania, between 1948 and 1953, certain traditional newspapers, such as *Universul* or *Adevarul*, continued to be

¹³ Id. 2, p. 17

¹⁴ Id. 2, p. 19

¹⁵ Id. 13

published but, after 1953, only three central newspapers remained: *Scanteia, Romania libera*, *Scanteia tineretului* and an evening newspaper, *Informatia Bucurestiului*, with less ideological ideas and more useful and public interest news.¹⁶ From the mid-fifties, a single newspaper with a financial aspect, *Munca*, began to appear; a national alternative to the Soviet newspaper, “Trud”.

In Romania, the establishment of the Communist regime meant, for the press, the acceptance and promotion of a type of speech that was completely inadequate for civil society and its need for information and knowledge. In opposition to the written press before the Communist regime, certain journalists became propagandists, and their writing became dissimulated, mobilizing, and fake. The media messages sought to promote indoctrination with Communist ideas, eliminating almost entirely the purpose of information, knowledge and the guidance of public opinion towards horizons other than the Communist one, and the stage of transition between submissive journalism and the opposition faced problems of various types, from technological ones to those related to mentality, which are very hard to eradicate.

Among the characteristics of the Communist regime related to the written media, the most dramatic aspect was censorship, which meant that every word, expression of an opinion or idea that opposed the Communist system was suppressed even before being printed. Perhaps the areas that were most severely affected by censorship were television and radio, that were overseen by the majority of censors. In 1959, Romanian Television broadcast for 81 hours per week, which increased to 14-30 hours per week after the 1980s. The majority of programmes were political and nationalist in nature, and the messages transmitted were exclusively Communist propaganda. The most enjoyable moments for TV audiences was the broadcasting of entertainment shows (featuring highly talented actors) of stage plays or films. This lack of news or debate of any kind in the press, accompanied by extreme propaganda, estranged the public from any programmes apart from entertainment shows, which had long-term effects that persist even today, more than 20 years after the fall of the Communist party.

1.2. THE EMERGENCE OF THE EUROPEAN MARKETS AND THEIR APPETITE FOR BUSINESS NEWS

Since 1989, the media in the former communist states of Central and Eastern Europe have been undergoing a consistent transformation that has been shaping the ways in which our societies look and function today. As part of the wider political, societal and economic development, the media enterprises joined in this process, in an attempt to serve the needs of the newly emerging economies.¹⁷ Despite their vital role, the economic media have often escaped close academic examination, so today we have a very limited knowledge of their structures of ownership, models of financing, management strategies, internal processes, content quality,

¹⁶ Peter Gross, *Colosul cu picioare de lut*. Polirom Publishing House, 1999, p. 37

¹⁷ Mihai Coman (edited by), *Models of, Models for Journalism and Communication*. Ars Docendi, Universitatea Bucuresti, 2011, p. 230

readership practices and, overall, the general way in which they function in the CEE countries 20 years after the fall of communism.¹⁸

In the following, I will explore how the financial press started to develop in the CEE after the '89 revolutions. Even if it is just a start, a more detailed picture of the CEE and a closer examination of Romania and the way in which business products developed there could provide grounds for a more detailed study in the future.

The first publications started to appear in the mid-nineties: *Kapital* in Bulgaria (a business weekly, owned by the Georg von Holtzbrinck Publishing Group),¹⁹ *Capital* in Romania (a business weekly, owned by Ringier), *Hospodářské noviny* in the Czech Republic (a business daily, published by Economia), *Arieh* and *Aripaev* in Estonia (a business weekly, published by Eesti Päevalehe, and a business daily, published by Eesti Ajalehtede Liit), *Figyelő* in Hungary (a business daily, published by the Sanoma Budapest Corporation), and *Puls Biznesu* in Poland (a business daily, owned by Bonnier Business Polska).

The nineties were a very productive time for publishers, with many publications being launched on the market almost simultaneously. In comparison with the general newspapers, the financial ones survived for longer, being capable of securing the loyalty of a group of interested readers. Unfortunately, this category consisted solely of businesspeople, be they investors, entrepreneurs or managers, as the larger public believed that these newspapers were not for them. "One of the most important effects of the Communist époque was that people ended up not trusting at all any press, so that the chance of success of a newspaper, of any type, in the ex-Soviet areas, was very difficult,"²⁰ commented Professor Peter Gross of Tennessee University, one of the co-founders of the journalism school in Romania after 1990. Gross bases his opinions on the research used in his books, where he shows that the latest Romanian history transformed its citizens into readers of entertainment magazines, while those who directed their attention towards serious publications were constantly extremely critical, refusing to trust the data published or the reason for their publication, which played a significant role in the evolution of media products: "In Eastern Europe, media outlets are abundant and audiences became exceedingly selective hundreds of publications sprouted up and died away in the first post-communist years, with circulation for surviving plummeting".²¹

The critical faculties that the readers had gained during the Communist period made it very difficult for publications to attract readers and build their loyalty. To support this idea, the BRAT reports (Romanian Audit Bureau of Circulation) show that, in the nineties, the larger audience reached by a quality newspaper (*Romania Libera*) consisted of a circulation of 300,000, in a population of 23 million, thirsty for free information. *Romania Libera* was the first daily newspaper launched after the revolution of 1989 and it reached, in January 1990, a record circulation of 1.2 million; in 1992, it had a circulation of 300,000, but, by 2000, this had fallen to

¹⁸ Id. 16, p. 231

¹⁹ Koinova, Elena (30 November 2007). "Handelsblatt exits Economedica investor structure". The Sofia Echo.

²⁰ Interview with Peter Gross, October 2011.

²¹ Peter Gross, *Entangled evolutions. Media and democratization in Eastern Europe*. Woodrow Wilson Center Press, USA, 2002, p.22

only 70,000, so the trend was decreasing.²² At the same time, the sole business magazine on the market, *Capital*, had gained the loyalty of 35,000 clients even from its launch, and was regarded by the publishers as one of the most solid market products.

The appetite for developing media products specializing in financial and business news increased after 2000, emerging from two directions: on the one side, there was increasing interest among readers as a result of the economic boom in the region (which also added a significant impulse to the advertising market) and, on the other side, the interest of both local and foreign publishers also fed this demand.

It is interesting to note that the first decade after being set free from Communism was a period of testing the media market, while the second decade can be divided into two parts: the wave of investments between 2000 and 2008 and the abrupt fall of the industry between 2008 and 2011. During this time, the market for financial publications followed its own trend, being somewhat separated from the general media market: the first decade after 1990 was one of tentative attempts, followed by a significant increase in the number of publications between 2000 and 2008, which grew more consistent after 2008. This consistency in the industry of media publications and the reasons for this phenomenon will be thoroughly analyzed in the following chapter.

In an article about the way in which Axel Springer extended in Europe, one can see the increasing interest of the German company in launching financial products in the newly emerging markets in the region;²³ apart from the main financial daily newspaper that they edited in Hungary in the nineties, *VILÁGGAZDASÁG*, in 2001, Axel Springer Polska launched the monthly business magazine *Profit* and the weekly magazine *Newsweek Polska*; in 2004, Axel Springer launched *Forbes Russia*, a Russian licensed edition of the American business magazine “Forbes” and *Newsweek Russia*.

The Dusseldorf-based Verlagsgruppe Handelsblatt tapped, in 2003, into the Eastern European Market with their controlling interest in the Polish economic and financial portal *Money.pl*. Later, Handelsblatt became involved in the development of the Romanian daily newspaper, *Business Standard*.

The development of media products for the business sector became the best choice for local investors (especially rich businesspeople who sought to invest in large media groups), who saw how the advertising budget was increasing annually, as the advertisers wished to be associated with quality products. In Romania, the advertising market was worth 179 million EUR in 2003, increasing to 369 million EUR in 2006 and reaching a peak of 540 million EUR in 2008.

Until 2000, there were two movements in the area of the financial press: the Swiss from Ringier had invested in the Romanian edition of the *Capital* magazine (from 1996), that dominated, for

²² <http://brat.ro/index.php?page=cifre>

²³ Transition to an International Media Company (1996-2006). Axel Springer Chronicle, 2011, http://www.axelspringer.de/en/chronik/cw_chronik_jahrzehnt_en_99730.html

many years, the business press area, and Adrian Sarbu (local investor, former owner of the strongest TV station in Romania, Pro TV, and present owner of the Mediafax print group, ex-Publimedia), who launched *Ziarul Financiar*, also in 1998. Thus, two newspapers – one weekly and one daily – shared their profile market.

In 2001, a Lebanese businessman, Rachad el Jisr, set up the Business Media Group (BMG) and launched various financial products on the market. The first was the bi-monthly business magazine, *Biz*, followed by the English daily, *Business Review*, and, in 2006, el Jisr got the franchise for the Romanian edition of *Business Week* (the weekly newspaper did not survive in the market, and it was closed two years later). BMG products, although popular, did not pass the test of advertising, because it did not make public the official data about its circulation.

After 2000, *Ziarul Financiar* built a solid audience and increased its circulation to 15,000 (over half of which was via subscriptions). The success of the newspaper convinced its owner, Adrian Sarbu, to maintain his investment in this area so, in 2004, he launched the weekly *BUSINESS Magazine*, which initially had a circulation of 25,000.

A year later, the weekly business newspaper, *Saptamana Financiara*, appeared on the market, launched by the Intact group (owned by the family of the businessman Dan Voiculescu, President of the Conservative Party and one of the most influential investors in television; Intact has 4 TV stations, out of which the flagship, Antena 1, occupies second place in the local market, from the point of view of the audience). *Saptamana Financiara*, launched with a circulation of 40,000, benefitted from a widespread campaign on the company's TV stations and won an audience, maintaining its circulation at around 40,000 for two years in a row. Encouraged by the success of this weekly newspaper, in 2008, the officials from Intact decided to launch a daily business newspaper called *Financiarul*.

Another investor in the media market, Sorin Ovidiu Vantu (a controversial businessman, subject to many accusations of corruption and money laundering) tried, in 2007, to build a centre for news and business information through his press group, Realitatea-Catavencu. The owner of the most important TV news station in Romania, *Realitatea TV*, Sorin Ovidiu Vantu launched a second TV station, *The Money Channel*, focused on news, analysis and debates on financial matters. With a maximum audience of 300,000 viewers (as the CEO, Sorin Freciu, stated in Romanian publications), this TV station is still a niche-type and it is not included in the national audience studies.

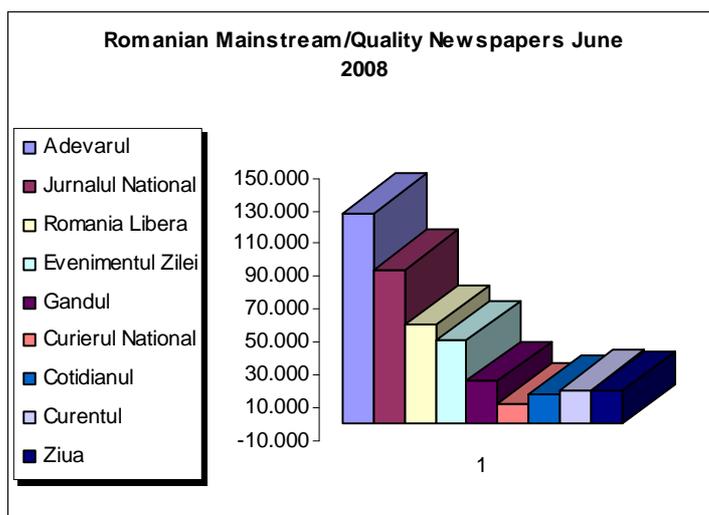
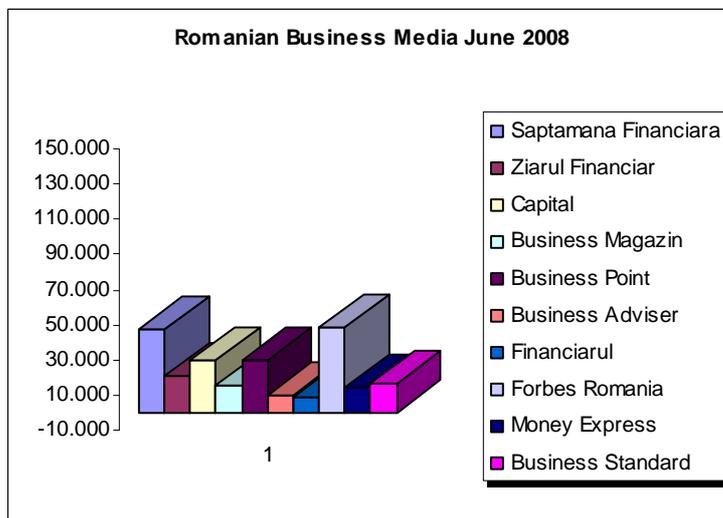
In parallel with the launch of *The Money Channel*, Realitatea-Catavencu launched a business daily, *Business Standard*, and a business weekly, *Money Express*. *Business Standard*, with an initial circulation of 12,000, in compact form, and managed to achieve in a single year a circulation equal to that of its main opponent, *Ziarul Financiar*. *Money Express* began with a circulation of 7000, being a magazine dedicated to “present and future” entrepreneurs.

At the end of 2008, another controversial businessman, Dinu Patriciu, having been a media investor since 2006, launched a quality daily (*Adevarul*), the bestselling tabloid on the market (*Click!*) and another 21 publications. Although the first sign of the economic crisis were emerging, this businessman brought to Romania the franchise of the American magazine *Forbes*.

With an initial circulation of 50,000, the magazine is bi-monthly, focused on business-lifestyle and on explaining economic phenomena.

The list of the above-mentioned launches notes the largest projects on the business market; other publications (with a circulation of less than 5,000) also appeared on the Romanian market during the same period: *Business Adviser*, *Piata Financiara*, *Magazinul Progresiv*, *Eurinvest*, *Banii Nostri*, *Business Arena*, *Finantatorul*, and *Business Woman*.

In July 2008, before the start of the financial crisis, in the Romanian market, the number of financial media products equalled that of the mainstream/ quality dailies (even if circulation of the latter was almost double than that of the former), as one can see from the following graph:



This explosion was mainly due to the large advertising budgets, the high number of businessmen interested in Romania, and particularly the more effervescent media market with its important focus trends. The crisis and decrease in the advertising market have significantly changed the evolution of the market.

Chapter 2

WHEN BAD NEWS IS GOOD NEWS

My experience as a business journalist has not been always appealing to and appreciated by those around me, in contrast to recent times, since the start of the financial crisis.

When I first got a job in the press, at the beginning of 2000, my preference for economics was somewhat difficult for my colleagues to understand. For many, the economic department was a dead end, the place where one would never have a chance to meet an important minister or have an article on the front page.

The business journalist has taken, in the last three years, some important steps on the imaginary ladder of evolution in this area, as everybody realized that a financial crisis is not something that happens only to others, but something which affects us all. Journalists from the economics departments have suddenly become more important, having their articles published on the front page and with more opportunities to become known.

“Publications featuring business, finance, and economic news are proliferating. Business is now considered a glamour beat, almost as prestigious as White House or Paris bureaus. Readers and viewers now depend on economics journalists to explain how business works and provide advice for a wide range of topics. Indeed, perhaps no other journalistic specialty provides consumers with information that is as essential to their daily lives. Other specialties may offer intellectual stimulation, relaxation, diversion, titillation, and fantasy. But business and economics coverage offers information that people need and use.”²⁴ Consumers have always been interested in guidance on practical matters, such as how to buy a car or invest in the stock market, but now they want to understand how business and economics really work: “They want to know who makes economic decision for the country, how the central bank operates, who causes inflation and deflation, what moves the stock market, why the value of the dollar versus that of other currencies is important. They want to know what sorts of people run major corporations, their goals and priorities, their attitude toward ethical questions, how they decide on strategies to pursue and products to make, how they use power in Washington, and also their attitudes towards the environment and to their employees' health and safety”.²⁵

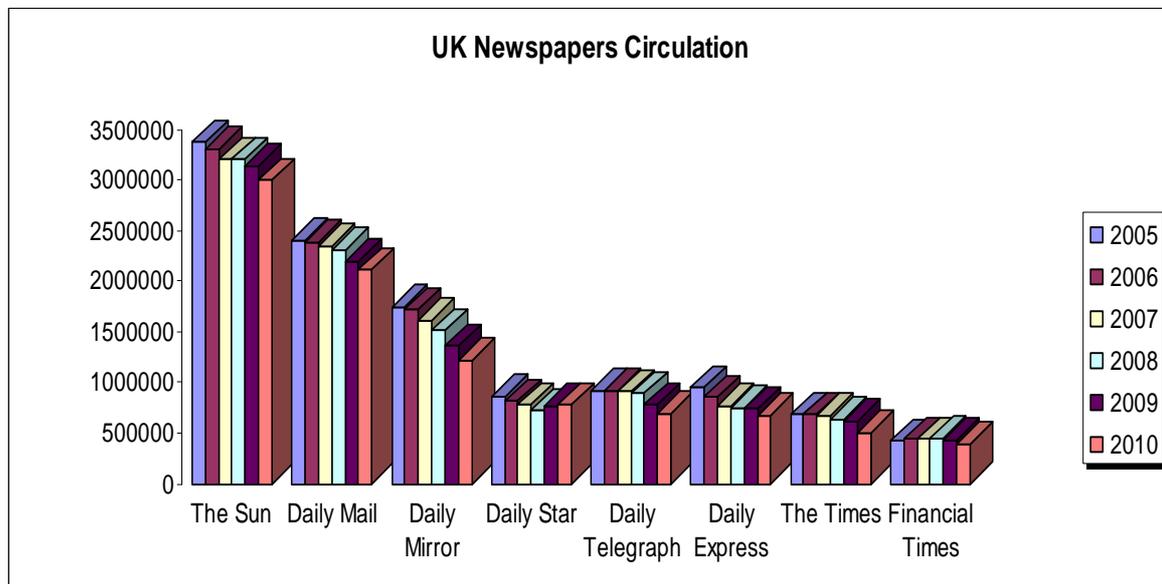
Newspapers, television, magazines and other media have been responding to these needs. Important dailies have substantially enlarged their news space for business. The truth is that they needed the largest economic crisis of humankind in order to do that. But how does this trend affect business publications?; which are eventually still a business, in an area largely affected by the economic crisis.

²⁴ Terri Thompson (edited by), *Writing about business. The new Columbia knight-bagehot guide to economics and business journalism*. Columbia university press, New York, 2001, p. 53

²⁵ Id. 22, Chris Wells, *Writing about business and economy*. p. 61

300 US newspapers went under in 2009, and 150 more disappeared in 2010. Many of these were large metropolitan dailies in the bigger cities. Those that remain have all scaled back their operations significantly: US newsrooms have shed more than a quarter of their journalists since 2000.²⁶ Between January 2008 and February 2009, 53 British newspapers collapsed, according to Roy Greensdale’s blog. “Local weekly titles are closing month by month. Regional dailies are in a terrible state and several could close, or reduce their frequency of publication, within the next 12 months. They are shadows of their former selves. National papers are suffering too. The *Financial Times* and the *Daily Telegraph* are the only serious dailies making a profit. All the serious Sunday titles are loss-makers”.²⁷

The decreasing trend in the circulation of the British newspapers that have survived on the market clearly began in 2005, once an increasing number of readers discovered that they could read the news online for free in the evening, but this tendency strengthened after 2008 (as shown in the graph).²⁸



The loss of printed editions’ readers, but also the decrease in advertising budgets, has triggered financial problems for media groups. In the new economic climate, those that survived the best were those companies that developed patterns to monetize the increasing flow of their online readers.

If we take a look at the evolution of the *Financial Times*’ circulation, we see that even the most famous newspaper for worldwide businesspeople suffered due to the economic crisis. If we look more closely, we can see that the FT’s fall did not start with the financial crisis, but once the online sector developed. The introduction of paid content in 2007²⁹ forced readers to choose

²⁶ Preethi Dumpala, The year the newspapers died. Business Insider, July 4th 2009.

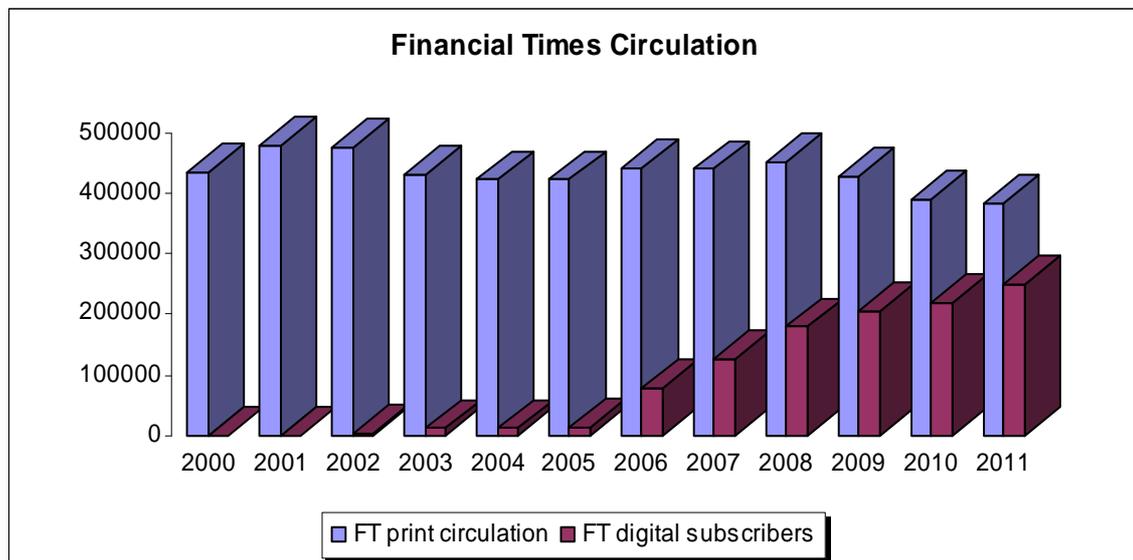
²⁷ Roy Greenslade, British journalism is in crisis, but we are doing too little to save it. The Guardian, September 24th 2011

²⁸ Audit Bureau of Circulation

²⁹ Deloitte Report, September 2011

between a subscription to the online or printed edition. Thus, the FT used its competitive advantage of having an audience that could afford to pay for this. Thus, although the fall of the FT continued from one year to the next, the number of paying readers increased, even exceeding that at the peak of the printed editions: the combined readership of the printed and online editions was 605,402, in the period from January to April 2011, according to the Deloitte report.³⁰ Pursuant to the same report, one can see that 20% of e-readers use mobile phones, and the first attempt of FT to sell an application to iPad attracted 10,000 users in only a few months since its launch;³¹ after a misunderstanding with Apple regarding the identification of their subscribers, FT withdrew the application from the AppStore and created instead a web-based application that represented the main subscription engine in the last year, given the fact that iPad, together with mobile phones, contributes 15% of new subscriptions. An official from the FT underlined that, with regard to paid content, until 2014, 40% of FT's income will come from digital content.³²

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One thousand three hundred miles away from the FT's headquarter, the circulation of Romanian newspapers suffered a dramatic fall in 2010.³⁴ The sales of the main newspaper, *Adevarul*, dropped by 60,700 copies between October and December compared to the same period in 2009, while the sport dailies and tabloid newspapers lost 10-20,000 copies on average. Advertising has also fallen for the dailies, whose total circulation is about 1.5 million copies per

³⁰ Id. 26

³¹ Robert Andrews, Interview: Digital's Second Age Begins Now, FT CEO Says. Paid Content: UK, August 8th, 2011.

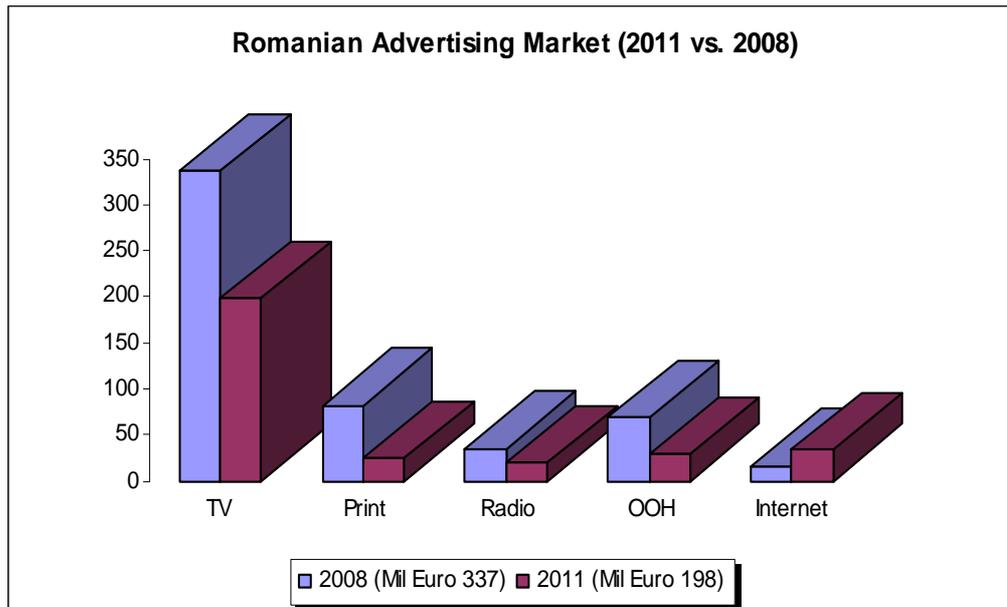
³² Id. 28

³³ Audit Bureau of Circulation, FT releases.

³⁴ Romanian Audit Bureau of Circulation, June 2011 Report

day.³⁵ The same report shows that more than 6,000 journalists have been fired in the few several years and hundreds of publications have folded.³⁶

In this climate, the financial newspapers took over a great deal of the market's evolution, but especially the decrease in the advertising market, which led to the closure of several publications,³⁷ and changed the rules for directing money in advertising (the percentage of printed editions decreased and that of the online editions increased):



The main effect on business publications was not long in coming—in 2009, *Business Standard* disappeared from the market, the weekly *Capital* transformed from a broadsheet into a compact type (with one element out of three), and in 2010 a daily and a weekly business newspaper (*Financiarul* and *Saptamana Financiara*) disappeared from the market. Also, the magazine, *Money Express*, transformed from a weekly into a monthly publication.

An important aspect of the Romanian media market is the low price of newspapers—varying from 0.70 bani to 3 lei (£1 = 5.1 lei)—which makes advertising the main financial resource for a publication. The fall of the advertising market may thus be considered the main reason for publications closing down, including the financial ones. The increase in the readership of the latter, in the context of the crisis' debut and readers' interest, could not change the destiny of these products. According to data from BRAT,³⁸ the sales of one of the closed down newspapers, *Business Standard*, had slowly increased during the audit period, from 6,650 average copies per

³⁵ Id. 30

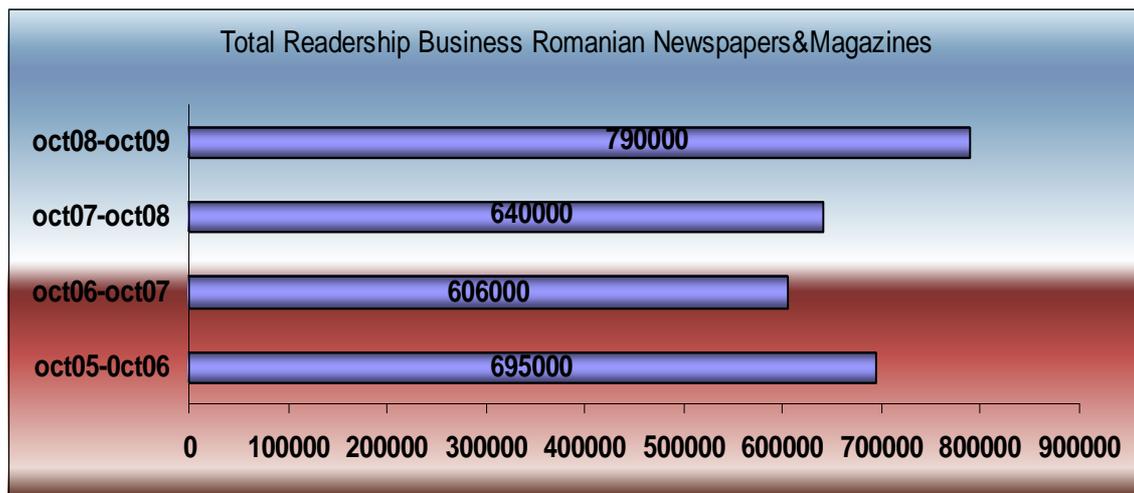
³⁶ There is no official evidence of newspaper closures due to the crisis; unofficial reports indicate that 130 publications (newspapers and magazines) closed in 2008 and 2009.

³⁷ Marian Trascu, *The Romanian Media Industry: Whereto?* Initiative Media, August 2011

³⁸ Id. 30

apparition in T2 from 2008 to a circulation of 10,900 in S1 2009, and in T3 2009 being around 9,700 average copies per apparition.

For the Romanian business products that overcame the financial problems, the start of the crisis brought an increase in interest and readership:³⁹

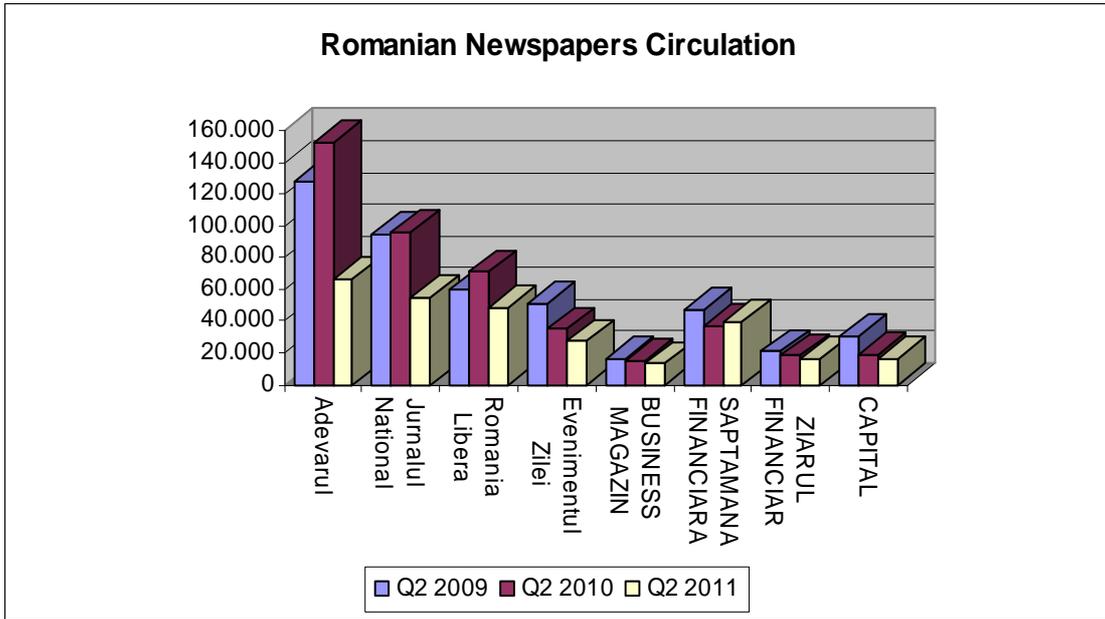


In the case of the most widely read business daily, *Ziarul Financiar*,⁴⁰ the crisis brought about a slow fall in circulation, but this was less important than in the case of the general dailies. The newspaper's publisher, th Mediafax Grup, tried, in 2010, to fight the fall by launching some online products for paying readers, called ZF Exclusiv (a flow of exclusive news, with a maximum price of 980 EUR per year). The company's officials have not yet disclosed the number of subscribers to this service, but they count on the rise of the online area and the so-called concept of "freemium" ("a business model that works by offering a product or service free of charge—typically digital offerings such as software, content, games, web services or other—while charging a premium for advanced features, functionality, or related products and services").⁴¹

³⁹ Romanian Audit Bureau

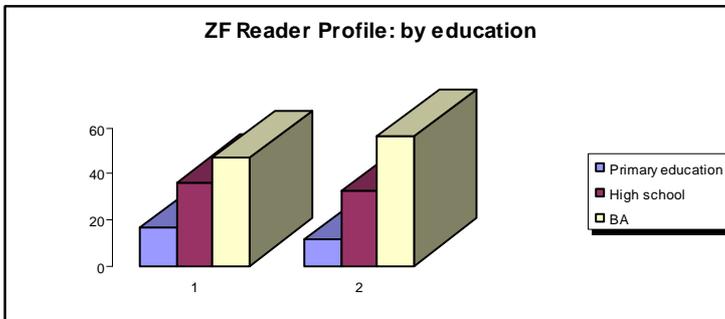
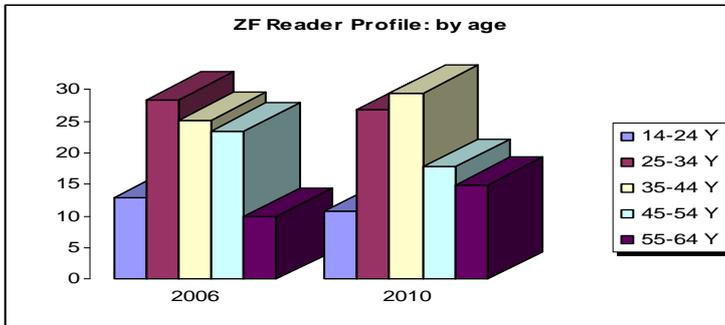
⁴⁰ Id. 30

⁴¹ JLM de la Iglesia, JEL Gayo, "Doing business by selling free services". Web 2.0: The Business Model, 2008. Springer

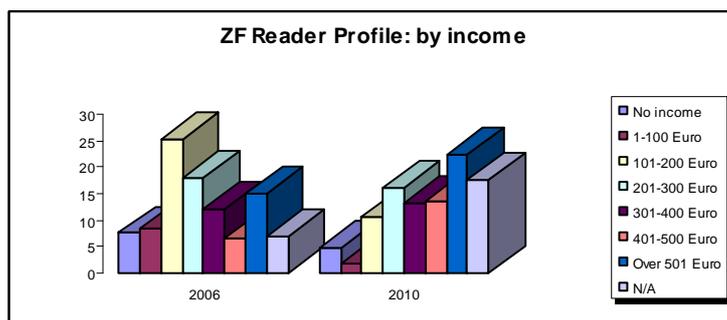
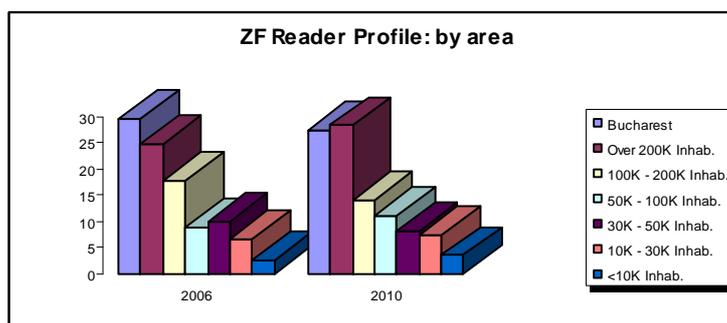
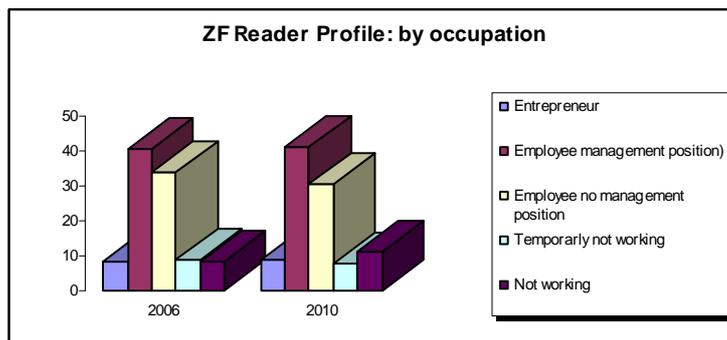


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Along with the changes brought about by the economic crisis, the *ZF* publisher noticed another trend: the change in the readers' profile in the case of the printed edition—the new reader is middle-aged and does not necessarily live in the capital, but has a high income and is not necessarily a manager/investor/entrepreneur and is more likely to be unemployed.



⁴² The titles in upper case are business papers.



The change in the readers' profile shows how financial or general newspapers can answer the needs of a larger audience, which does not have an economic background. For this purpose, in the following two chapters, I will try to build an image of the way in which the business information need is satisfied in Romania and in the UK. I will use these two countries to offer you living examples, but I must add that the aim here is to build a general image of the publishers' motivation to keep products that explain financial information, of the way in which business journalists must consider a larger sector of readers, and also of the future of this field that is, for the first time in history, in the limelight.

The business press is the only real unit of measurement of the readers' interest (common or specialized) when it comes to research about financial news and this is the main reason why I analysed the business press and the interest in this area in the first part of the paper. The interest in the economic sections of general newspapers is difficult to measure, even if the majority of editors interviewed for this paper believe that they are the main research source for citizens who

are not accustomed to thinking about economic problems.⁴³ In the following chapters, I will consider the ways in which the financial news is being dealt with by the general press, but also on the broadcasters' schedule, and try to assess which one addresses this area more correctly for the unprofessional eye.

⁴³ Interviews with Alex Brummer, Stefan Stern, Gideon Rachmann, November 2011

CHAPTER 3

THE PRESENT CONDITION OF BUSINESS JOURNALISM

“Is there someone who remembers exactly when and why the financial crisis began?”⁴⁴ The editor raised this question in December 2011, three years after the moment everyone considered to be the starting point of the economic crisis: the bankruptcy of Lehman Brothers. The reason for this question lay in the countless events that have completely changed the world’s financial system since then and, moreover, the way in which people mirror it. Three years of confusion followed, when even the bankers admitted that the crisis was imminent, because the complex level of the financial products managed to overwhelm even their administrators;⁴⁵ three years when the abrupt fall of financial institutions, the thousands of homeless and jobless people, the austerity measures taken by countries facing financial crises, and especially the lack of official explanations for all that occurred in this period made the common people take to the streets to demand their rights. The protest movement “Occupy Wall Street” and its British equivalent, “Occupy the London Stock Exchange”, have already become icons of the extent of the social problems engendered by this crisis.

“Looking back on the last three years, one can see that the media reacted in a rather reactive and not proactive way, by bringing explanations of the crisis’ effects and not for its causes; in addition, there are few examples of newspapers that reacted as ‘guard dogs in this problem’, although the common people would have perhaps expected it.”⁴⁶ This is why the question arises naturally of whether the press bears its share of the blame for the evolution of the financial crisis and the way in which the audience perceived it. After all, the “Occupy” protests are not mainly political protests and there is no ideology behind them, but an emotional response to what average people say and think: “We don’t really understand business and politics, we do not really understand economy, we don’t see how this process works for us; what we see are financiers and bankers becoming fantastically rich. We see crisis after crisis, a perpetual crisis, and no one offers a solution to this crisis. We, the majority, are not really served by this process”.⁴⁷ Nevertheless, people have not done this through the media; they did not go to the broadcasters to complain, but instead occupied public spaces, to try and change the nature of the debate, to move up the agenda.

“I think that, in a way, this is an oblique criticism of journalism: if they thought that the debate in the media was vigorous and informative, perhaps it wouldn’t have been necessary to sleep in a tent on the street. Perhaps it is a democratic problem or a political problem that there is not

⁴⁴ Cristian Hostiuc, “Europe’s biggest project became just a currency”, Ziarul Financiar, December 1st 2011

⁴⁵ Toni Iordache, Interviewed October 2008 for BUSINESS Magazine.

⁴⁶ Ionut Bonoiu, Interview, November 2011

⁴⁷ Stefan Stern, Interview, November 2011

enough discussion in the mainstream media of these issues: justice, fairness, and efficiency in the economy.”⁴⁸

The protests of autumn 2011 represented the most important social movement in relation to the crisis, after several years of everybody trying to understand what was going on; if specialized readers found their information in a simple way, from their everyday lives or from dailies such as the *Financial Times*, which delivered them the data, for the common, disoriented people, things have not been so easy. “When the crisis began, nobody really understood what was happening, not even the politicians or some of the leaders of the country. People saw that there is drive and tried to find a voice to explain it, finding it in the newspapers.”⁴⁹

Did the newspapers translate the message for everyone, however? When Lehman Brothers went bankrupt,⁵⁰ the newspapers on the following days were particularly interested in presenting the fall of the stock exchanges and the way in which the various financial institutions that were affected by the crisis were to be bailed out by the state.⁵¹ Even if they mentioned also that there would be a huge economic crisis and that everyone would be affected, the majority of people, especially those in countries with a stable financial history, did not pay much attention to this information, especially as no one had explained it to them properly: “People in Italy, France, the United States used to share this view that ‘economics is happening to somebody else; economical issues happen in Argentina, CEE or China, we are mature economies, we are safe’. I think that the last few years showed people that they live in an economic world and that everything that is happening is important to everybody, because, sooner or later or somehow, it will affect everybody”.⁵²

Thus, the increasing interest in the financial press did not happen immediately after the start of the economic crisis but in the following months, when the snowball affected more and more countries and more and more people in all social categories. That was the time when jobs, savings and houses disappeared, but the main thing that disappeared was the certainty of tomorrow. Thus, the interest in the financial press began to grow, as a result of the questions that people were asking, less about the financial safety of their country or the world, but more about their jobs, bank interest rates, pensions or children’s education. “People ask themselves more now than ever what they should do with their money, with their savings, what should they invest in, they ask themselves if their job is safe, if the industry is safe.”⁵³

Seen from this point of view, one could say that the newspapers which responded to these questions have fulfilled a social role, a sort of consultancy for everyone, with little money and references to the bigger picture. But did the newspapers indeed respond to the questions of the common people who were turning to them for answers?

⁴⁸ Id. 46

⁴⁹ Andrew Miller, Interview, November 2011

⁵⁰ September 15th 2008

⁵¹ Head stories in The Wall Street Journal, Financial Times, The Guardian.

⁵² Id. 48

⁵³ Patience Wheatcroft, Interview, November 2011

Stefan Stern⁵⁴ thinks that the financial media are related just to the elites, to a very small group of readers, but that there are some publications trying to fill that needs of business journalism for ordinary people: “The *Financial Times* is a brilliant publication, very professional, expert, accurate, but is aimed at an elite audience, not the man or woman in the street; *City AM*, which is a free newspaper, does a pretty good job on reporting companies and market and financial news, the *Daily Mail* and *The Telegraph* and *Daily Telegraph* try to explain things well, but overall I think that, in the UK, there is a gap for popular business journalism and I don’t consider that business is really well reported in this country”.

When asked for whom they are writing, the *FT*’s⁵⁵ representative strongly stated: “For elites and for their needs. The newspaper caters to an affluent and powerful audience and the ideal article is interesting both to the head of Goldman Sachs and to my mother”; while the *Daily Mail*’s representative⁵⁶ stated that his newspaper targets any type of reader, but agrees that personal financial news is preferred: “We have a news agenda dominated by personal finance, and make sure that every story that we write would provide all of the information that the private investor would need. We never provide just share information, without explaining things about shares that private investors would need to know in order to be informed about his investments or future investments”.

So who is left to explain the general picture for the general reader? The problem is that the common reader happened to be caught in the middle between business newspapers that transmitted “coded” news, very hard for him to understand, and the mainstream or popular newspapers, that covered mainly only business consumer problems and were uninterested in showing the general picture. The clash between the financial newspapers, or what one might call the high-broadsheets, and the popular newspapers has deepened in recent years, as each tried to cater better for the reader type included in the publication’s demographics or business model. The extremes became more defined: the business newspapers have become increasingly focused on providing cover stories and analysis, without questioning whether their readers can understand it, and popular newspapers have become more and more focused on personal finance, forgetting the big picture. In addition, in both categories, the importance of articles written to satisfy the advertisers has been increasing, as has the trend of exaggerating in order to increase the importance of certain economic phenomena with the purpose of bringing certain news items to the front page.

An important element that triggered this aspect is the fact that some publishers abandoned the use of demographic data, which tendency estranged the readers from the editing process. “We don’t have audience studies. When we choose our subjects, we have in mind a reader who is an ordinary person, but also a small businesses owner, entrepreneurs, people who have a small shop or some savings and want to look after that money and nurture it.”⁵⁷

⁵⁴ Interview, November 2011

⁵⁵ Gideon Rachmann, Interview, November 2011

⁵⁶ Alex Brummer, Interview, November 2011

⁵⁷ Id. 55

Alex Brummer⁵⁸ bases his editorial concept on the fact that the *Daily Mail* is read by almost 2 million people every day. “The range is too big” says even Justin Webb,⁵⁹ who believes that the audience of the “Today” show, at over 6 million, makes it difficult to find the right button to press for all listeners. “That is the most difficult thing: how much knowledge do you assume when you report on business news. One of the problems we always had at BBC is that we find it hard to find the tone and actually the selection of stories that are interesting to people who are quite sophisticated and we sometimes miss what ordinary people want. The thing is that we try to produce an intelligent programme and we do assume a certain amount of understanding”. On the other side, he argues that, in the last three years, the audience of the “Today” programme, which comprises a lot of business news and analysis, has been continuously growing. That is why the editorial strategy is now “not to be patronizing and not to leave people behind, even if not in a very obvious way”.

Stefan Stern recalls from his *FT* experience that the newspaper’s editors do not even consider a reader with no understanding (“At the FT, they assume a lot”).⁶⁰ Popular newspapers try to explain and decode the message: “We are sometimes still complicated, but I try as much as I can to make everybody explain everything. Even if it seems repetitive and sometimes boring, we have to act like there are new readers coming every day who maybe don’t know what OECD is”.⁶¹

Almost all of those interviewed for this paper⁶² agree that they take into consideration the “intelligent reader”. All newspapers want this reader, but do so many of this type exist to read every newspaper? Andrew Miller recalls how, during his first few months at the Economist, his editor repeatedly stressed to him the need to write each article bearing in mind the “Iowa dentist” - an educated, wealthy individual, who was estranged from the financial markets but who could be interested in financial instruments, and also in a human, pleasant approach to harsh news.

If common people have difficulty in finding the information to help them to understand events, even businesspeople are not happy about it. In a post on his blog, Greg Gentschev analyses⁶³ how the business journalists have plotted against fulfilling the needs of the market. “Most articles focus on short-term stock movements, earnings per share, quarterly numbers, and a variety of other data points that are essentially meaningless from a business analysis perspective. Even more in-depth pieces tend to lack context and often dwell on controversy or slavish praise rather than the most salient points of business strategy.” The opinion is shared by Colin Mayer,⁶⁴ who considers that the business newspapers fail to put the information into context: “I find it more important to find out related things than an in-depth analysis about the fact that it happened and what might come next for the company. That is why I mainly read magazines, because they do a better job of it, and I also consider that people should use the trade publications more”. For Greg Gentschev, who is more of “a generalist”, time is a precious resource and he refuses to spend on

⁵⁸ Interview, November 2011

⁵⁹ Interview, December 2011

⁶⁰ Id. 46

⁶¹ Id. 55

⁶² Andrew Miller, Ben Hall, Ionut Bonoiu, Gideon Rachmann, Justin Webb, Interviews, November & December 2011

⁶³ Greg Gentschev, <http://www.brekiri.com/blog/178/the-poor-state-of-business-journalism-from-a-strategy-perspective/>

⁶⁴ Interview, December 2011

seeking information. He concludes that, “In the end, we get the information, like the government, that we deserve. There’s simply no mass market for better business information”.⁶⁵

3.1. TO READ, TO LISTEN TO OR TO WATCH THE BUSINESS NEWS IN ROMANIA AND THE UK?

During the research for this paper, I realised that the main difference between Romania and the UK with regard to business news coverage is closely related to the history of these two countries and also the relations within them between financial news and other important aspects of the mass media agenda, such as political news.

It is true that, in the face of the wave of questions from the market, the press decided to bring financial information to the front page. “The crisis has increased the readership for economic news. In part, this is because the story has moved from the finance pages to the front page, but it is also because of an increased awareness of the scale of the problem and that it will affect everyone.”⁶⁶ Did not bringing the news to the front page, however, change the way in which the newspapers tended to build their speech, news and analysis? “No, we still did the same job; it was just that we hit the front page more often than before”;⁶⁷ “No, because we did the same job covering business and market news as we always did”;⁶⁸ “The most important change we made was to give up the politics section and cover almost exclusively business”.⁶⁹

The quote by the Romanian senior editor shows that there was a big difference between Romania and the UK when it came to the incidence of economic news on the pages of the newspapers. “In Romania, there is a certain distance between politics and the business community, especially because political scandals have aroused the disapproval of the business community, that preferred to mind its own business, and this affected the readers as well: the common reader is somehow interested in politics, and the mixture of the two themes would help him stay in tune with what is going on and would also help the general newspapers to stop treating economic news as a necessary evil that lies in the middle of the newspaper, without being given too much credit.”⁷⁰ In contrast, “In Great Britain, since the mid-nineties, economic news is mostly political news. Gordon Brown said, in the late nineties, that the crisis’ cycle is not over—in fact, it was never over and people are not so struck now when they hear bad news; they’re used to it, as the economy dominates the news”.⁷¹

⁶⁵ Id. 62

⁶⁶ Id. 52

⁶⁷ Id. 55

⁶⁸ Ben Hall, Interview, November 2011

⁶⁹ Id. 45

⁷⁰ Id. 45

⁷¹ Id. 48

The press is somehow following these trends in a natural way, and the answer to these trends is seen in the very development of media products and their editorial strategies. In Romania, the general newspapers have separate sections for economic news, and most of them (including the broadsheets) approach the news especially from the consumer's point of view. In some cases, especially for the broadsheets, there is a different section that focuses on business, personal finance or macroeconomics. "This editorial strategy enables an uninterested reader to avoid the financial news section. In many cases, a reader who purchases that newspaper respects the product, and the fact that the editors decide to place the financial news in a separate section also leads him to believe that it is separate and perhaps dull. I believe that all readers of a reliable newspaper or even those of a popular one should come face to face with the financial news, with an analysis and some explanations. It is the editors' duty to do it."⁷²

The main reason for the press following such an agenda and placing the information and financial explanations on the front page is that it is the press' duty, as Justin Webb underlines,⁷³ not necessarily to educate their readers ("Schools and families should teach basic economics. The media can then build on that knowledge"),⁷⁴ but to keep them updated.

All of the specialists interviewed for this paper⁷⁵ agree that the population of the United Kingdom does not have a sufficiently solid financial education to allow them to understand complex business news. "I would not refer to complex information, but something more basic—ordinary British people don't have any economic education and, if you want to explain something, you have to explain it in great depth, because, for example, few people in the UK can understand percentages. It's not that they can't do it, but they can't picture it in their mind."⁷⁶ Stefan Stern agrees that the British do not understand the percentages very well and thinks that the problem lies in their Maths education, which is not a very important area of study for children.⁷⁷ Nonetheless, business journalists say that, when they write, "It is true that we expect them to understand the basic concepts of economics".⁷⁸

Romanian journalists agree that common Romanians do not have a financial education either. "I believe that, in this respect, the level is lower because, in Romania, some generations did not have any kind of financial education, and the percentage of Romanians who do not know how to use a bank card or do not understand the risks of contracting a loan exceeds half the population."⁷⁹

This is why Romanian newspapers do not include much financial news—because the readers are not interested—and when they do approach this subject (generally specialized products), they explain every term. "Frequently, we receive feedback from readers saying that we do not write very seriously, because we explain the same thing every time, but we know, especially from studies of our audience, that most of our readers do not have a financial education so we cannot

⁷² Peter Gross, Interview, October 2011

⁷³ Interview, December 2011

⁷⁴ Id. 52

⁷⁵ Justin Webb, Colin Mayer, Andrew Miller, Alex Brummer, Interviews, November & December 2011

⁷⁶ Justin Webb, Interview, December 2011

⁷⁷ Id. 46

⁷⁸ Id. 48

⁷⁹ Id. 45

assume that they know the meaning of words such as ‘non-governmental credit balance’ or acronyms like ECB, IMF, CDO and others.”⁸⁰

In particular, according to the journalists and specialists interviewed from Romania, the media channel with the highest impact from presenting economic news is print, although printed newspapers reach fewer people than do the TV and radio⁸¹—the most widely read Romanian daily has a circulation of 60,000, while the most popular TV news programme attracts 982,000 watchers from the urban areas.

In a news bulletin by the most popular TV channel in Romania (Pro TV), there are between 3 and 7 news items about the economy, personal finance and business (out of an average of 35 news items per bulletin); political news attracts similar numbers, and events news about half of this. A peculiarity of Romanian commercial stations is the time devoted to news, which is a maximum of 4 minutes. On the 8th of December, a new meeting of the European political leaders held in Brussels to discuss the Euro crisis was presented in a report lasting 2.2 minutes on ProTV. That same night, the BBC’s Six O’clock news bulletin devoted eleven minutes to this same event, followed by two reports on the economic and political effects of the meeting.

“In the UK, most of the population gets its financial news and also general news from broadcasting.”⁸² The interviewees believe that this might be a new image for the UK media, because the circulation of the serious newspapers has declined greatly. “Many people use newspapers’ websites, but the man in the street would get almost everything he knows about economics from broadcasting—if you think that it is easier to put on the TV or radio stories that interest people and stories that involve people, you get the idea that broadcasting wins this battle because of this approach”;⁸³ “If you watch the main BBC news bulletin, with Robert Peston,⁸⁴ or you read his blog, you don’t really need to read much more, he really explains it right to you. And if you have a busy life and don’t have time to read newspapers, you can get enough information from there.”⁸⁵

There is one more thing, underlines Stefan Stern: UK residents pay an annual license fee to the BBC of £150, and they think that, once they have paid this, they should receive quality information from the BBC. “People would say ‘Why pay for another newspaper when the BBC tells me in a trustworthy way everything I need to know?’ Even if its competitors consider that the BBC is unfair competition, because they have this privileged position, the general view of the people in this country is that ‘We like the BBC, we trust them, and we believe in their reputation’. Plus that, for £3 a week, it is a pretty good deal.”⁸⁶

Aside from news programmes, the British also watch closely TV programmes that inform them about the economy, such as “The Apprentice”,⁸⁷ that teaches viewers how to make a business

⁸⁰ Id. 45

⁸¹ Studies conducted by SNA, CAN, BRAT

⁸² Id. 75

⁸³ Id. 75

⁸⁴ BBC reporter and anchor, specializing in business news

⁸⁵ Id. 46

⁸⁶ Id. 46

⁸⁷ A British reality television series in which a group of aspiring young businesspeople compete for the chance to win a £100,000-a-year job as an apprentice to the British business magnate, Lord Sugar (previously known as "Sir Alan Sugar").

plan, what are the pros and cons of certain entrepreneurial ideas and how a company works. In Romania, such programmes have been produced since the beginning of the twenty-first century, the best-known being “The Lions’ Cage”.⁸⁸ This programme, which brings those who wish to become entrepreneurs face to face with business-angels who might help them, has already a history of 6 years and is broadcast on TVR 2⁸⁹—a public channel focused on news, debates and specialized TV programmes. The station’s format and the increasing demand for economic news also led it to host, from 2010, the first economic show in the country, “Business Hour”,⁹⁰ “a relaxed bulletin of economic updates”, as described by its host and producer, Moise Guran. “The subjects are chosen depending on their relevance, and the guests from people who know what they are talking about. We try to avoid popularism, excess, useless content and any kind of hidden interest”.⁹¹

Other programmes supporting entrepreneurship or making economics popular have also appeared in Romania, but they were not transformed into TV programmes, especially by the commercial stations, which doubt that they would achieve their audience target with these shows. In the last five years, the only exceptions were the cross-media shows, developed by the publishers of certain magazines to promote the printed product. A cross-media product was also ProTV, that included in its morning bulletin a live intervention by a business journalist to explain the main news, Ziarul Financiar.

3.2. A GLANCE AT THE CRISIS

The 30th of November 2011 was a difficult day for Europe and somehow for the entire world, as it is considered the unofficial start of the serious Euro crisis that may lead to its downfall. In the UK, and also in Romania, the newspaper editors found it challenging to balance all of the events in the following day’s publications. In the UK, the media reported on the protests on the previous day that blocked many public services.

A day earlier, other important things had also happened: the UK expelled Iranian diplomats and an IFS study stated that in three years the lives of Brits would be even harder because of the economic situation, but the announcements of the European Central Bank and the United States, referring to a new loan to save the Euro zone and the “ten days deadline to save the Euro” influenced the stock exchange and, moreover, many newspapers from all over the world responded with front page articles.

A glance at the newspapers of the UK and Romania show that the interest in this subject was higher in the former, a country which was dragged into the vortex of the European problems more

⁸⁸ A Romanian TV format (“Arena leilor”) which brings together aspiring entrepreneurs and business-angels; entrepreneurs try to convince the businesspeople to participate in their business.

⁸⁹ The second most important public broadcasting service in Romania (TVR is the public broadcasting company and its brands are: TVR 1, TVR 2, TVR Info, TVR 3, plus its local stations).

⁹⁰ “Ora de business”, Romanian live business show, TVR 2

⁹¹ Moise Guran, October 2010

that it had wished. A great influence on the mass media's interest in this announcement was the fact that, for the first time since the start of the economic problems in the Euro zone, the Bank of England was directly involved, which was considering participating in a new fund to save the Euro zone.

Romania is a country with its own currency (the leu) and a history of adherence to the Euro zone, which includes the adoption of the unique currency in 2015.

The importance of the euro safety and exchange rates is huge, as Romania uses the Euro extensively for all of its goods, services, salaries and prices, and the bank sector is dominated by companies from the Euro zone. Since the beginning of discussions about the problems in the Euro zone, thus some weeks before the EU economic commissioner Olli Rehn issued his ultimatum on November 30th ('We are now entering the critical period of ten days to complete and conclude the crisis response of the European Union'), the leu fell by more than 15% compared with the Euro, and this fall affected seriously the whole national economy. The immediate impact of the news should have been at least the same for Romania and the UK. Nonetheless, an analysis of the main national dailies shows that the British editors devoted more front page space to this news.

For this analysis of the two countries, the same number of newspapers from the UK and Romania were considered: financial newspapers (Financial Times; Ziarul Financiar), broadsheets (The Guardian, The Times, The Daily Telegraph; Adevarul, Jurnalul National, Romania Libera), a popular compact newspaper (The Daily Mail; Evenimentul Zilei), a tabloid (The Sun; Click) and a free newspaper (Metro; Ring). The elements considered were: the presence of the subject on the front page; if it was the lead story; if there is a reference on the internal pages; and if terms were used to describe the background of the theme.

News papers (yes – present/ no – absent)	Coverage of the “credit crunch”	Lead Story	Headline – “continued inside”	Background information/ predictions
UK Business Paper				
Romanian Business Paper				

UK Broad- sheets	  	 	  	
Romanian Quality (Broad- sheets)	  		 	
UK Popular/ Compact				
Romanian Popular/ Compact				
UK Tabloid	-			
Romanian Tabloid	-			
UK Free				
Romanian Free				

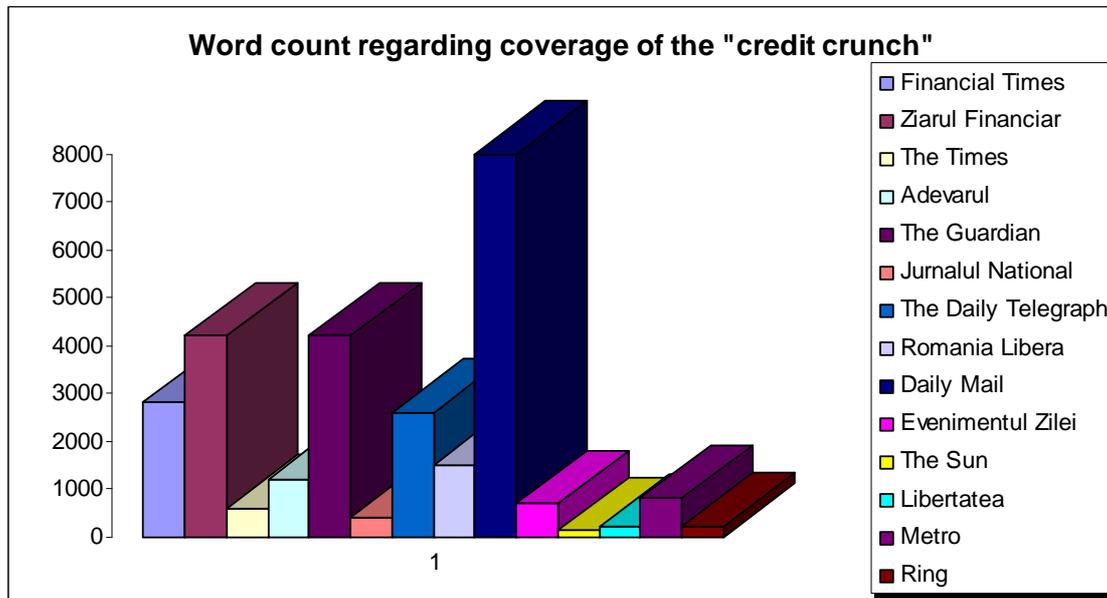
The space devoted by the British newspapers to the most important news on the Euro zone was clearly larger, and the importance given to the subject can be seen from the fact that all of the British dailies taken into consideration (except for *The Sun*) put this news on the front page. The “background information” category covered the existence and explanation of the phenomenon, its motives and the short- and long-term effects that it might trigger. Newspapers such as the *Financial Times* or *The Times* delivered the news by using closed headlines (unappealing for the uninterested reader, as he may consider that he would not understand the subject anyway): “Banks move to avert second credit crunch” (*The Times*), or “Central Banks’ move lifts markets” (*The FT*), undecipherable acronyms: “FTSE 100”, “DAX”, “ECB” (*The Times*) or “FTSE 100”, “S&P 500”, “EFSF” (*The FT*). The front page lead article in the *Daily Telegraph* was also as dry and objective as the previous ones, but the newspaper compensated for this by placing on the front page the story of Jeremy Warner, a respected editor whose column usually appeared in the middle of the newspaper; the clear intention of the *Daily Telegraph* editors was to avoid explaining the phenomenon in the article and to place in the limelight a person who was able to “translate” the messages and the news problem. The headline of the main article (“It’s official: credit crunch is back”) and the headline of the cover story (“US rescue act is a sign of the mess we’re in”) were thus combined, giving the reader even from the first page the chance to get an update on developments, and also to read an opinion explaining the phenomenon.

The *Daily Mail* and *Metro*⁹² placed the same subject on their covers. In the articles, they avoided discussing the details of some of the problems that the financial markets faced and tried to focus, by using simple words, on providing a summary of the causes and effects of this phenomenon. The headlines “Britain joins multi-billion-pound global bailout as key banks face new credit crunch: Day the World’s banks wobbled” (*Daily Mail*) and “10 Days to save the Euro” (*Metro*) are open, allowing an expert and a novice to try and decipher the article in order to understand the information.

In Romania, one broadsheet and one popular compact (*Adevarul* and *Evenimentul Zilei*) placed this subject on the cover, and the financial newspaper considered (the only one now on the market) provided only a brief article with reference to the international pages, where the subject was discussed.

All of the newspapers taken into consideration in the previous table included articles about the “second credit crunch story” in their inside pages, using a different tone and a different amount of space. This is a classification of the same newspapers, from the same day, depending on the number of words devoted to this subject.

⁹² Newspapers owned by the same press company, Associated Newspapers



Starting from the idea that a novice reader would have bought on the 1st of December the most well-known financial newspaper to see what was happening in the country and the rest of the world, I analysed the way in which the news was covered by the financial newspapers from Romania and the UK.

The most frequent words used to describe the situation on the 1st of December 2011 show the main differences between a newspaper that takes into consideration mainly elites and one that tries to reach more ordinary people, in quest of explanations and contextualization. Both newspapers use “Euro”, “Europe” and “The European Union” as the key words to develop the whole story. The two publications differ one from another in that they use a different tone when approaching the subject. In the case of the *ZF*, the most commonly used words in the analysis of the 1st of December are those referring to various currencies and their measurement units: “Euro”, “pound”, “billions”, “funds”, and “money”, but also nouns or strong phrases such as: “has declared war”, “destruction” or “storm”. In the case of the *FT*, we shall find the same theme in relation to the Euro zone, but the words used are much more closely connected to the deepening of the analysis rather than to explaining the phenomenon.

“investments”, “big”, “might”). The connotations which are expressed using the most common words from the text (*considering the words and phrases that are used more than three times) show the inclination of each newspaper towards a certain type of reader.

Thus, we see that “apocalyptic” attributes are widely used by the Romanian newspapers, which try, by using negative terms, to depict for the reader a dimension of the problems facing the financial markets. Also, the abundance of explanatory verbs shows the desire to translate every message for the readers, while the use of multiple phrases in the past tense updates the background of the news and connects the events from the near or distant past. If we follow the same category of terms used by the *FT* in its texts, we find fewer words about the negative situation and more attention being placed on the effect on the financial markets, banks and investors.

Category		
Negative words/descriptive	“storm”, “breaking-up”, “war”, “destroy”, “boxing”, “eliminated”, “waterfall”, “problem”, “fire”, “dark”	”fears”, “problem”, “troubled”, ”worse”
Explanatory verbs/collocations	“means that”, “come to a..”, “could send”, “shows that”, “indicates that”, “notes that”, “think to”	“is likely to be”, “shows that”, “appear to be”
Background indicators (past tense, past referrals)	“have been”, “have had”, “grown to”, “did”, “have tried”, “last month”, “increased”, “last time”, “got out”	“have been weakened”, “announced”, “have deepened”
Predictions (future tense, suggestion collocations)	“will try”, will depend”, “will react”, “will become”	“will get”, “will spread”, “will form”

Both articles are of the analysis type, except that that the *FT* provides more detailed information for the interested reader, while the *ZF* tries to decrypt the message and go into details. The global attitude of the former is thus that of accounting, while the second is searching for explanations of the effects on the local market. The same attitude is found in the popular dailies and even some broadsheets from the UK, that target especially the local market, trying to find and offer explanations.

Chapter 4:

A PROPOSED GUIDE TO REPORTING BUSINESS NEWS

Business and economic journalism still have plenty of room for improvement. The quantity of the coverage is often more impressive than its quality. Many people, from the consumer to the corporate executives, still want a much broader perspective on the news. They want to understand more about economics, business, and finance, but “too many older managing editors, who began their careers when the field was a wasteland, refuse to acknowledge that perceptions have changed and they still expect their business sections to get by with minimal staff. Too many business editors shy away from critical stories and refuse to allocate resources for investigative projects, in order to take their coverage beyond the daily news flow. Too many reporters do not venture beyond handouts from and lunch with public relations people”.⁹⁴ In some cases, we have seen some regression: “Many newspapers cut back on investigative reporting and tough business coverage of corporate behaviour and other difficult topics”.⁹⁵ Instead, they allocate more resources to personal finance, which can be a method for feeding the interest of the readers while avoiding painting a sometimes disturbing bigger picture, but undoubtedly this is a course of action that is less likely to disturb managing editors and advertisers.

For this paper, I examined interviews with Colin Mayer, Patience Wheatcroft, Justin Webb, Stefan Stern, Gideon Rachmann, Ben Hall, Andrew Miller, Ionut Bonoiu, Alex Brummer and Peter Gross. Each of these individuals has a personal way of seeing and understanding financial news, depending on the media institution for which s/he works/worked. By corroborating the information from these interviews, and also the biographies I presented, I shall try to create, in the following, a list of ten rules for writing financial news, so that everyone can understand it.

Alex Brummer considers that a business journalist should never use any technical terms without explaining them, never use initials or acronyms without saying what they stand for, and repeat all definitions: “Every time you have to repeat the same definitions, you cannot assume that people know it. If you ask somebody on the street about CDO, 9 out of 10 have no idea what that is. Even a lot of people who work in the finance business don’t know everything; if you ask somebody in a bank about the algorithm for creating a banking product, even they don’t know it; how could we assume that readers do?”⁹⁶

⁹⁴ Id. 24

⁹⁵ Id. 24

⁹⁶ Id. 55

1. Simplicity of language. That does not mean being unsophisticated; it means not using the jargon that we see in a lot of business newspapers. Do not use patronizing language, but simple, ordinary words that would have the same meaning but are just easier to understand.
2. Understand first, then report. The discussion about knowledge-based journalists started to gain more and more meaning in recent years, when we saw how unprofessional journalists were hiding behind complex terms because they really did not know what they mean. Only when a journalist has the education and power of analysis and contextualization to understand the information perfectly will he be able to present it in simple words, so that everyone can understand it.
3. Involve people. Just presenting figures is uninteresting. You have to construct stories out of every event and link them to people's lives. When you are putting together pieces, you must find examples that are appealing to everybody. Successful business news is a particular story which involves and reflects people's lives.
4. Do not assume that the readers already know anything. Every story's background can be explained in 20 words. This should be done every time. Some readers are buying the newspaper for the first time because they want to read the latest news about a specific event. If they find "closed" news that they are unable to grasp, updates about stories they have never heard of and they do not know the history behind them or if there are unknown terms, they will feel threatened and may believe that the newspaper is not for them.
5. Include the business news among the general news. If you edit a newspaper in two parts—one about the general news and another about economic news—all you do is to exclude the business news from normal life. People who are genuinely uninterested in economics will not even look at that part. A broadsheet can have a business page that contains more in depth business news, but the normal news about economic life which concerns everybody must be brought forward and placed among the other, general news.
6. Talk to the new generation. In many countries that are in the course of development, many adults lack the will to learn and develop from a personal point of view; it is thus extremely important to target the youngsters, to show them the importance of economics in their everyday lives, to explain them the phenomena and to try to transform them into those intelligent readers who are sought by worldwide editors.
7. The press should act as a watchdog. The motif of the watchdog has been discussed by many generations, and business journalists have forgotten this. This should also apply to the financial press. Journalists must keep on answering questions such as: what are humans interested in? Which are their main fears? What threatens them/how can we protect them?
8. Make it sound interesting or even attractive. Many people accuse journalists of being in search of only the sensational, especially since the internet appeared. The mistake in this case is not the written headline, intended to "hook" the reader, but the story's content that lacks importance. A TV reporter who tells a story with a visible passion and interest about a subject, explaining the news as he would explain it to his mother, will be far more

widely viewed than simple, correct news. Also, an article written as a story, with details, particularities, and a background gently inserted between the lines, will be much more widely read than one written after a press announcement.

9. Win trust. This advice is important for any journalist, but particularly for business journalists, who must deal with hard, dull subjects. By applying the above-mentioned rules, one can convert accidental readers into loyal ones, who have been avoiding the subject up to then because they believed that it was too technical for them.
10. Follow the average. Many business journalists working for specialized newspapers prefer to use jargon, which is very uptight, so that they do not lose the specialized readers, the most important ones for their newspaper. Also, popular newspapers are afraid to go into detail through fear of confusing the untrained reader. To be in the middle means taking the news, placing it in the right context, searching for predictions and estimations and writing it normally, involving people, applying the terms to everyday life and not writing in an uptight manner.

OBSERVATIONS AND CONCLUSIONS

The ordinary reader does not have a specific place in business newspapers' history. Preoccupied by elites and the wealthy, business journalists forgot that they have a social responsibility to consider all of their readers and their needs or problems. It is a misunderstanding to say that a person in the street can try to understand the business and macroeconomics phenomenon from a business newspaper: that paper does not concern him.

History, particularly recent history, shows that the business press and even the mainstream media is not engaged in explaining financial phenomena to ordinary people. Talking to their specialist reader and the elites, business journalists assume that their readers know all of the terms and background of almost every story. The business journalists employed by the popular newspapers fall into the same trap, assuming that their readers share the same knowledge. That is how, little by little, a gap was created between business information and the masses, and so between the elites and the wider public. One wonders how this could have happened in the information era in which we live today.

In this light, popular business papers are a measure of democracy and information democratization. By encrypting messages and only targeting the "chosen ones", we go back in time and somehow forget about the basic right of humans. There is, of course, the matter of a basic financial education, which schools and families should provide the base for, but the main problem is how accessible the information is and what valuable news a normal person can obtain from reading a newspaper.

In order to produce popular business journalism, more and more knowledge-based journalists are required. Perhaps, a few years ago, it was enough for somebody simply to report a press conference without giving any context or details. Perhaps, a few years ago, fewer people were concerned about finance. Perhaps, a few years ago, our world seemed safe. This is no longer the case for any of these. Business journalism's main role, be it specialized products or mainstream, is to provide answers to the readers' most important questions. We should not forget the specialized readers, those who buy the product in order to be updated with the latest specialized news, but nor should the others be excluded.

People did not feel, in the last few years, that the media were watching, that there was a debate about the enormous social problems created by the crisis. The press has lost sight, during the economic crisis, of its role of "watchdog", and after this crisis, I see business journalists more like corporates than reporters who are interested in their readers. The press has entered the vortex of financial problems and the journalists rallied in many cases with their employers, being much more attentive to the requests of the advertisers than to those of their editors. Who can understand better the way in which a business functions and its needs than business journalists?

It is true that business journalism has an increased chance of surviving in the current quest for readers, and the main reason is the same as we find throughout the history of the business media—the wealthy reader, who can afford to buy newspapers, purchase subscriptions

to the iPad or pay for online content, and this kind of reader is mainly interested in serious news, especially business news. So, this crisis somehow closed the circle for the business media and we look forward to seeing, in the near future, ordinary people breaking through to have the information and, along with it, the power.

I wonder if, in this period, when the entire field of news and journalism is changing radically, we could take the opportunity for a clean break and a complete rethink of business journalism and its real role in society.

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