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Conceptualising And Researching Economic Stories

By

N S Jagannathan
DURING the last four days, you have had an intense exposure to the economies of SAARC countries from acknowledged experts. The sessions slated for today and tomorrow will be concerned with the professional problems of communicating economic intelligence to a largely lay public. Performing competently this mediatory task between decision-makers and economic experts on the one hand and the general public on the other calls for a complex set of skills. Enhancing these skills by mutual interaction and exchange of experience is the purpose of the discussions today and tomorrow.

For the sake of the convenience, the subjects of the different sessions have been crystallised in the form given in the programme. To some extent these are overlapping themes. But this should not seriously matter, if the basic objective of exploring how a good economic story should be written is constantly kept in mind.

But before getting into the nuts and bolts aspects of this enterprise, some general observations about the environment for economic journalism, especially in developing countries, may be in order. Economic journalists in these countries have a much wider range of preoccupations than their opposite numbers in developed countries. The latter can, if they choose, ignore the problems of the developing world, unless they wish to specialise in the economics of the third world, as it is condescendingly called. But journalists of the third world cannot ignore the economics
of the first and the second world. Secondly, since the problems of the third world are of political economy rather than of pure economics, yet another dimension is added to the professional concerns of the economic journalists of these countries.

All this makes economic journalism in a developing country an exacting calling, demanding/exceptional range of interest, industry and application on the part of its practitioners. I don't know about other countries, but in India, we are finding it increasingly difficult to get economic journalists of the requisite calibre. No, economic journalists don't grow on trees.

Most aspirants to a career in journalism in India — and I daresay it is true of other countries of SAARC — prefer the seductive pastures of political journalism, which is far easier to practise, at least at its routine levels, where it is merely a case of reporting surface events and retailing and recycling gossip. On the other hand, economic journalism, even at its most elementary level, is far more demanding in terms of mastery over facts, ideas, trends and developments, and skills of communication. Despite this relative ease of their jobs, political journalists enjoy greater public esteem because of the quality of the theatre — often absurd theatre — of the activities they report and the vicarious thrills of participation such reporting offers the readers. On the other hand, economic news is rarely dramatic, concerned as it is with processes/ than events.

Moreover, to the ordinary reader of a newspaper, politics makes/ interesting reading, being explicable in terms of the relatively simple categories of his everyday experience and so readily understood. Political news is also less demanding on
one's attention span. Economic news, on the other hand, is "dull" and somewhat remote from one's experience, especially when it is presented in its aggregated "macro" forms. No doubt economics is about bread and butter issues of everyday life, about "getting and spending" and trying to match the ever-shrinking real value of one's income with constantly-rising prices. No economic journalist can afford to lose sight of such issues. But there are also larger issues at the national, regional and global levels which cannot be ignored, if only because they determine these "micro" predicaments. And these are not only intrinsically complicated; they are also incapable of being excessively simplified without distortion. This creates exceptional difficulties for the communicator, who has to find the right idiom that his reader will understand.

Thirdly, the nature and content of economic news are changing all the time, and in recent years, at a mind-boggling pace. Within the last ten years, to go back no farther, there have been basic shifts in thinking on such matters as the legitimacy of the market forces even in countries that would have once considered such ideas disreputable heresies. On the ground, there has been a dizzy succession of only half-controlled events at the global, regional and national levels. To take but one example: financial markets of the world have been convulsed time and again in recent years, largely because of the ripple effect of the enormous budgetary and trade deficits of the United States. Fortuitously, these unsettling developments have coincided with the global deregulation of banking industry and financial flows in the developed countries and a technology-induced global integration of the stock and money markets of the world. Instant transference -- largely notional -- of funds in multiple currencies across the
world has left even central bankers clueless of what the state of their country's external account at the end of the day is. A lot of "phantom money" is floating around. New media of exchange, store of value and financial assets like the eurodollar have created entirely new ball games in international finance. Buzz words like debt traps, swaps and junk bonds and new trades like buying and selling of debts have introduced a whole set of new concepts and a new terminology of economic discourse. All this calls for continuing education on a scale rarely demanded of other kinds of reporting.

If you are not put off by such intimidating demands on your intellectual resilience and toughness, economic journalism can be a continually stimulating vocation. And because of the scarcity value of its practitioners, it is also a calling that is professionally rewarding in every sense of the word, once the skills of communication are mastered. In the sessions of today and tomorrow, we shall be discussing some of these skills.

Let us begin with conceptualisation, the theme of the first session. In the day-to-day reporting and analysis of economic news, it is necessary for the practitioner to evolve for himself a procedure, if he is not to be snowed under a constant flow of material. The best way to avoid this is to see every piece of news in its context and as part of a continually developing situation. One should develop a framework of policy issues against which every new development could be set. In other words, one should construct for oneself a "dictionary or index of issues" that will list the various pros and cons of every policy of the government and every contrasting positions held by rival economists, interest groups etc.
Once this frame is available, conceptualisation of one's story becomes easier. Thereafter, it is merely a question of presenting the news as objectively as possible -- if it is a news report -- and analysing and stating one's own views -- if it is a comment.

A frame of this kind is important for another reason. Unlike academics and policy-makers, newspaper reporters and commentators do not have all the time in the world. The nightmare of the deadline and the compulsions of "instant wisdom" by way of editorial comment make it imperative that the essential points of a new announcement or development are quickly grasped and lucidly presented to the reader. If an economic story is opaque, ambiguous and jargon-ridden, you may be sure that the reporter has not understood what he is reporting and hiding his ignorance in verbiage. An intellectual frame such as I have suggested would enable the reporter to grasp what it is that the policy maker is trying to say or hide -- often it is the latter. This done, the story can be quickly written.

To my mind, "conceptualising" an economic story is really a case of contextualisation rather than isolating the core idea of the story. A new development or announcement of policy has to be presented or at least visualised in one's own mind as part of an on-going development and fitted into its past and its possible future. Otherwise, the details will overwhelm you and you will not get a "line". It is here the dictionary or index of issues built up over a period that I mentioned earlier will be invaluable.

Let me give you an example. Let us suppose a new price or pricing formula is announced under the system of administered prices for a number of commodities that many countries of our region adopt for one reason or another. Let us assume a new
price is announced for, say, "fertilisers". In order to deal adequately with this story, one must know the history of administered prices in general and of fertiliser pricing in particular. One must have also a broad idea of the purposes of such a mechanism and the economic logic (or illogic) of such pricing. One must also know the collateral mechanisms such as "price equalisation fund" and how they are used for "cross-subsidisation". We must also know how these prices are fixed and the departures from strict economic logic made for political and practical reasons in the devising of the methodologies for the purpose.

All this may sound pretty esoteric. But once you have got the hang of the concepts involved, they are easy enough to grasp. Of course, the technical calculations etc may be beyond the journalist's competence. But any competent economist or administrator can explain the intellectual processes involved in price fixation easily enough and a reasonably intelligent journalist can follow these processes. For example, one parameter of price fixing would be "a reasonable return" on the capital for the manufacturer. But which manufacturer? The best or the worst? If you choose the best, you may fix impossibly high standards of performance. If you choose the worst, you will be too lax and handing it to the producer at the expense of the consumer. So you have what is called a "normative" price that falls somewhere in between. There will be furious argument on where this "somewhere" should be. As a matter of fact, this cannot but be "arbitrary", which makes arguments even more furious.

All this will have already entered into your index of issues. In any case, there is a simple journalistic procedure of getting one's story just right. And that is to seek the help of the "affected interests", who would be only too ready to talk. For
example, on fertiliser pricing, the industry's views will not coincide with that of the agriculturists and both will be different from that of the government which has the unenviable duty to please both at the same time. Industry would want to maximise its profits and protect its market and so would look askance at imports. But agriculturists would want "cheap imports", whether domestically produced or imported. The government has its own problems. Too high a price for domestic fertiliser would mean larger subsidies to the farmers. Imports have their impact on the balance of payments and one has to be mindful of international market conditions. Thus, the dynamics of cross purposes among various interests would provide the journalist the needed perspective for evaluating a new development.

Whether it is agriculture pricing or the rights and wrongs of sharing of international waters, say, between India and Bangladesh, one should have a clear picture of the opposing points of view. On international economic issues, it is obvious that different governments will have different and even opposing perceptions, depending upon what they consider to be their national interest. It is a safe rule to be particularly wary of accepting the views of one's own government. Scepticism is the cardinal principle of journalism. You should never accept at its face view, any assertion, particularly when it is made by interested parties. Once this working rule is accepted and applied on a regular basis, one would develop over time a nose for "disinformation" and avoid the hazards of peddling the views of interested lobbies.

An important aspect of conceptualisation and contextualisation is therefore a lively awareness of the biases and "angles" of the creators and disseminators of economic news. Day in and day out, the economic journalist is snowed under vast quantities of material for use thrust on him. Everyone gets into the act. For example, the World Bank and the IMF have their stated and unstated biases, prejudices and preferences which can easily be identified...
with some experience. Once these are identified, it becomes easier to make a proper judgement. This is the most important basic equipment of an economic journalist: the ability to get the angle of particular presentation of the news, whether it is done by national governments, international institutions, individual industries, or whoever.

I shall now say a few words about researching economic stories. An economic journalist must never forget that he is not an economist, even if he / a degree in economics that he once obtained to flaunt. Nor is he a policy maker. In other words, he is an amateur and not a specialist, as the other two are. And they have all the time in the world, dreaming up their theories and scheming up their schemes. The policy maker in particular must have spent months looking into every angle of a policy before announcing it. In formulating it, he must have had the assistance of a battery of experts and administrative colleagues. And finally, in presenting the decision to the public, he would have taken good care to conceal its unattractive features and to put his best foot forward.

An economic journalist obliged to deal with this has little time to digest it because of the deadlines he has to keep. All this would make for a large measure of humility and circumspection in an economic journalist.

There is another aspect to the "amateur" status of the journalist. He cannot, even if wished, be a specialist. That is the nature of his calling. The range of subjects that an economic journalist, especially in a developing country, is obliged to take on is staggering. Finance, commerce, industry, agriculture, macroeconomic issues of national income, monetary management, banking, public sector, private sector, international and regional economic
issues, econology, environment, poverty and associated issues of political economy -- one can go on and on.

There is a structural problem here, with which newspapers, at least in India with which I am familiar, are struggling. One solution is a certain degree of specialisation. This has its advantages and disadvantages and is not always feasible, especially in general newspapers. However, for individual journalists, it would be a good idea to specialise in two or three areas, even while retaining a nodding acquaintance with the entire range of economic news.

In the next session we shall be discussing "sources of information". It is to these sources -- both documentary and human -- that a journalist will have to turn for his "research". Obviously, the nature of his research is different from that of the economist in pursuit of ideas, concepts, analyses and generalisations. A journalist's research is far more varied and is oriented towards giving substance to whatever "news point" he is making. It is more search than research. As I said earlier, there is no dearth of material on which to draw, even in these days of obsessive secrecy of governments, corporations, financial institutions and so on. Since economic news is often the news behind the news and news in the making, this propensity to secrecy on the part of potential news sources is a problem, especially when "investigative stories" are undertaken. There are no "do-it-yourself" guide books for this, or indeed, for anything in journalism. As in the case of conceptualisation and contextualisation, one has to make intelligent use of rival interests to get both the "gut news" and the angles.

On economic news of general public interest as distinguished from news of skeletons locked up in inaccessible cupboards that
are the target of investigative reporting, there is an enormous amount of material to draw upon. Some of these sources will be discussed in the next session. But for present purposes, I would suggest two practical procedures for individual journalists. First, you should have your own card-index and clippings section. It is true, newspaper offices have more or less satisfactory clippings and reference sections — less satisfactory than more, in most cases. But being generalised classifications that cater to large institutional needs, this reference back-up often fails you when you need the odd detail to fill in the picture. For example, written replies to parliamentary questions are an invaluable source of information, not as straight news, but as something to garnish some other story you are pursuing. These are not always preserved for reasons of space. A personal index of such "official" information with even an elementary system of "cross-referencing" is one of the easiest aids to a reputation of remarkable omniscience and accuracy, to put it no higher!

An elementary knowledge of statistics, not so much of techniques as of any ability to read tables and charts and some skill in rearranging the same data in configurations other than the ones you have in front of you is a valuable asset. There are these days excellent books that tell you of the several ways that statistics lie and the techniques of spotting them. Some mastery of this skill would be useful. Finally, these days, it is indispensable for an economic or financial journalist to acquire some ability to read balance sheets. Time was when one could have got by with macro concerns with large magnitudes and broader policy issues at aggregated levels. These days, for a variety of reasons, activities in the private sector have acquired a much higher visibility than before. (Indeed, many leading lights of this sector would prefer a poorer visibility).
An ability to pierce the corporate veils of various sorts and get to the reality behind them is becoming an important equipment for economic journalists. It would be a good idea for them to undergo some kind of training in the techniques of corporate accounting.

I have so far dealt with documentary resources for economic stories. Equally important are contacts with people who are actually involved in economic issues in one capacity or another, such as policy makers, leaders of industry, economists and research scholars. As field correspondents, one would in any case be meeting many of these people as part of one's daily duties. It is essential to establish sound personal and professional relationships with such sources of news. Half-an-hour's chat with a well-informed bureaucrat or an articulate economist would give a journalist a much deeper insight into a problem and supporting information than hours spent in reading bulky reports and research studies. A journalist should never forget that he makes a living by picking other people's brains.