

Dean Starkman. *The Watchdog That Didn't Bark: The Financial Crisis and the Disappearance of Investigative Journalism.* Columbia University Press, 2015. pp. \$24.95 (hardcover), ISBN 978-0-231-15818-3; (paperback), ISBN 978-0-231-15819-0.



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Dean Starkman's thirty-year journalism career included a stint as a business reporter at the *Wall Street Journal*. He recalls one day at the paper when his connection to top sources at a big company yielded a major daily story on a multibillion-dollar industrial deal. The scoop made Starkman, his source, and his boss happy and left his competitors anguished. "I didn't know it was possible to feel this good—from a story!" he writes. "I grinned until my face hurt" (p. 161).

The anecdote is a good illustration of what Starkman says is the fixation of the American business press on scoops fed by the cultivation of elite insider sources. The undue emphasis on such scoops, he contends, often comes at the expense of more important stories that business news organizations should be giving the public.

Chief among those stories was the unfolding of a mortgage-lending crisis that would eventually lead to massive economic collapse in 2008. Much has been written about the institutional causes of the crisis, but one institution that has gotten less attention than it should is the elite business press, comprising such organizations as the *Wall Street Journal*, *Forbes*, *Fortune*, *Businessweek*, and CNBC.

Dependent on access to major business institutions for daily news and scoops, leading business news outlets failed to do an adequate job holding those institutions accountable, Starkman argues. Had they done so, he suggests, the public might have been warned of the potential economic crisis years ahead of the crash.

Starkman lays out his indictment of the business press of which he was once part on the first page of his book—"The watchdog didn't bark," he declares—and then proceeds in ten chapters to try to explain why. He finds the answer in an imbalance of journalistic priorities, with too much emphasis on scoops and not enough on accountability.

The book traces the roots of U.S. business reporting, both synthesizing a multitude of secondary work and tapping primary journalistic sources. Drawing on Pierre Bourdieu's field theory, Starkman identifies access reporting (focusing on actors's words) and accountability reporting (focusing on their deeds) as the main competing schools in American journalism: "The difference between the two is the difference between probing Citigroup in 2003 and profiling it in 2006. Put simply, accountability reporting—the watchdog—got the story that access reporting missed" (p. 11). The problem is that ac-

accountability reporting is costly and speculative while access reporting is inexpensive and abundant.

Much of what we know about the 2008 economic collapse comes from post-mortems or forensic reconstructions of what happened. But according to the book, the disaster could have been reported in close to real time. And in fact it was, by a handful of journalists, hailed in Starkman's eighth chapter, who were in one way or another on the outside of the business journalism establishment. Their status meant they weren't in thrall to the cult of access, but it also meant their work was not to be heard amid the din of business coverage as usual.

Accountability reporting has sometimes flourished in American business journalism, but it has had a bumpy road. Starkman covers the earliest beginnings of business news to the present day, including the rise of the muckrakers, the evolution of the *Wall Street Journal* and other top business news outlets (including fascinating accounts of figures such as Henry Varnum Poor, Charles Dow and Edward Jones, Clarence Barron, Paul Julius Reuter, and Bernard Kilgore), what he calls the CNBC-ization of news in the 1980s, and finally the rise of subprime lending and the inconsistent news coverage that came with it in the decade leading up to the crash.

Business journalism started as a form of communication targeted at business elites and thus was not especially interesting or useful to the general public. Starkman says that narrow approach-access journalism has dogged the field ever since: "It is investor oriented, market serving, incremental, and self-referential. It is communication between and among elites, without reference to broader public interests" (p. 40).

Moreover, the specialization required to cover business leads to insularity such that journalists work in a bubble of jargon and knowledgeable insiders, highly dependent on the latter for news. It is precisely for that reason that business requires extra accountability, Starkman argues, but the reliance on institutional sources hamstringed journalists and renders them "deeply passive, powerless to affect the public agenda" (p. 67).

Such journalistic dependency was the rule in the nineteenth century and again after the muckraking period until the 1960s and beyond, when Starkman contends accountability journalism became institutionalized in the mainstream business press. Led by Kilgore's *Journal*, business news was redefined to emphasize long-form, in-depth journalism (what Starkman calls the Great Story), which moved away from institution- and event-

driven news. But that stance faltered on the eve of the mortgage crisis as news media business models began to collapse (leading to newsroom cutbacks and greater output required of those who remained) and as political change led to severe reductions in regulatory monitoring.

According to Starkman, at the time a watchdog press was needed most, the business press instead had become CNBC-ized, characterized by "insider, investor-focused news and speed" (p. 154) and lacking time or resources for investigative reporting. Thus, it wasn't that the mortgage debacle was hard to discern, but rather that the mainstream business press wasn't equipped to understand what was going on.

Starkman duly notes contentions by contemporary business reporters that the news media did plenty to warn the public about the mortgage crisis. But he convincingly dispatches the arguments, pointing to a search he spearheaded for the *Columbia Journalism Review* for significant stories on the crisis before the collapse. A discussion of those stories occupies a lengthy penultimate chapter in the book, and although a reader would like a clearer quantification and discussion of the methods of the search, Starkman contends that the bulk of the business press was "surprisingly innocent, even naïve, about the subprime mortgage industry" (p. 254).

Starkman's case is well documented and persuasive, though the book is naturally not without flaws. It suffers from a surprising number of editing mistakes, including typos and the misspelling of Hamilton Jordan's last name (twice). Starkman is somewhat imprecise regarding the prevalence of watchdog reporting between the muckraking era and the 1960s. Although there was certainly a decrease in national investigations in those in-between decades, strong local and regional investigative reporting continued unabated. Starkman also fawns too much over the muckrakers, claiming: "Their strength was a certain journalistic purity: They had no political axes to grind" (p. 21).

Similarly, a pronouncement about a decline in investigative reporting in the 1980s calls out for explication. Starkman says "neo-muckraking also encountered cultural pushback as the public wearied of the piece's sprawling length, grim subject matter, and formulaic presentation" but cites no authority or evidence of this public disenchantment (p. 123).

A more substantive issue concerns Starkman's access-accountability dichotomy, which recalls other formulations of competing traditions within journalistic

practice, notably that between objectivity and advocacy. Curiously, Starkman barely mentions the objectivity norm, which arguably has provided a strong underpinning for the access approach.

Finally, Starkman's discussion of the relationship between journalists and government regulators bears further consideration. He argues that one reason for the disappearance of investigative reporting during the worst of the subprime lending abuses was the disappearance of regulation. "Reporters rely on regulators for stories, and regulators rely on reporters for cases," he writes. "The nexus between uncompromised regulation and effective investigative journalism cannot be overstated" (p. 182). That contention is somewhat at odds with Starkman's thesis that the press ought to set the agenda rather than allow it to be set by elite sources (government rather

than business sources in this case). Moreover, true accountability journalism might have identified not just the abuses of key players in the business arena but also the failures of key players in the public sector. Ultimately, the relationship Starkman describes between journalists and government officials underscores the news media's reformist commitment to existing systems of power and commerce rather than advocacy for transformative change.

None of these issues diminishes the importance and accomplishments of this book. *The Watchdog That Didn't Bark* adds greatly to our understanding of business journalism and of the country's most recent financial meltdown. Starkman writes that it is intended for lay readers, but journalism students and historians will find much to value here as well.

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