

Plainly, Manglish was a cause of financial woes

Lauren Wilson

THE global financial meltdown was as much a crisis of linguistics as it was of economics, according to a group of international plain-language advocates.

Obscurely worded mortgage agreements and the selling of financial products with abstract names such as “floating note collateralised debt obligations”, contributed in a large way to the global financial crisis by confusing everybody — from mum and dad investors, to financial analysts and even lawyers.

The Plain English Foundation, a group of international experts who advocate simple, clear and precise language, will meet today in Sydney to discuss how government and business can eliminate costly and confusing syntax.

The group’s Australian executive director, Neil James, said local legislators could learn from countries such as South Africa and the US, which have moved to legislate for

certain financial and legal documents to be written in plain, simple, easily digestible language.

Dr James said the tendency of policy and document writers to fall back on dense, complicated language was a significant problem, “deeply embedded in the culture of our institutions”.

“We avoid answering a question directly, and by dropping into obscure language you can fill up a soundbite without saying anything at all,” he said.

Bill Lutz, a professor of language and literature at Rutgers University in the US, recently worked with the US Security and Exchange Commission to strip back complicated layers of language and restore a level of transparency to the financial services and products being sold.

“The rule of thumb is that clarity, whether it is in plain language or design, leads to understanding, which leads to confidence, which leads to trust, and trust leads to investments,” he said.