

Meanings of Words

Keith Rankin, 30 April 2013

This month the word 'marriage' was redefined, at least in New Zealand. There is no longer a word to mean what marriage used to mean. In reality, the meaning of the word 'marriage' had already evolved.

Let's hope that the use of legislation to remove meanings from words is not a habit that catches on. George Orwell's bitter critique of the transition from democratic to totalitarian government – 1984 – was substantially about the role of the "Ministry of Truth" removing words from the lexicon. Concepts that cannot easily be communicated become concepts that are difficult even to think.

Four words that appear in many discussions of economic injustice – and hence with regard to the retardative consequences of excessive inequality – are ownership, equity, public, and redistribution.

Ownership is commonly understood to be an exclusive property right. Person A owns some property. Only A has a right to draw income from that asset; person B does not have that right. A owns the property; B does not. If that's all ownership means, then there is no adequate word for an inclusive property right.

We may extend the use of the word ownership to every type of property right, including collective rights over natural assets, inherited intangible assets (knowledge, social capital, law, lore), and assets of physical infrastructure. These contribute to productive outcomes at least as much as do factories, commercial buildings, and labour.

We draw heavily on collectively-owned assets as an economic resource. Private individuals make money from their use of these environments. Environments should not be regarded as free resources, simply because nobody can be excluded as owners of such resources.

It is more efficient and equitable to regard environments as owned by everyone rather than as not owned at all. Otherwise physical resources treated as costless are subject to the 'tragedy of the commons'; and intellectual resources, placed for perpetuity into the public domain, are exploited for private rather than collective profit.

The meaning of the word ownership can be stretched to embody the concepts of collective responsibility and reward, just as the concept of marriage can have a broad meaning as well as a narrow meaning. Buddhists aspire to a 'marriage' of wisdom and compassion. Twenty-first century world citizens take 'ownership' of their environments, lest their nests be fouled.

Equity is also a word with a narrow meaning – essentially 'ownership' – and a broader meaning, which is, in essence, 'justice' or 'fairness'.

'Public' has a narrow meaning – something available to the public to buy – such as shares in a 'publicly-listed' company, or an education in a British 'public school'. So most references in Google to 'public equity' relate to the private ownership of shares in publicly-listed companies; a very narrow meaning indeed for a concept as powerful as 'public equity' could be.

Public equity can mean, therefore, collective responsibility for our environments, along with the collective returns that result from their economic contributions. Those returns, properly distributed, can go a long way to address the problems of both injustice and inefficiency that plague us today.

Finally, the word 'redistribution' (of income) is a problem, because it is normally taken to mean 'take from' A, B and C, and 'give to' D, E and F. It's theft in other words, by this definition; and libertarians play this definition for all that it's worth.

Scientifically, the word simply means a change in the distribution of income. Thus it can include the concept of clawing-back money incorrectly or inappropriately paid to A, B and C. Nevertheless, the use of the word is too emotive for constructive discourse. We could use the word 'redistribution' less, and focus on distribution instead.

Some argue that redistribution is justified on the grounds of 'vertical equity' (distribution based on needs rather than on rights); thus vertical equity is seen as a direct clash with the rights-based 'horizontal equity' principle.

In fact, vertical equity can happily co-exist with horizontal equity. All that we need is that part of our incomes – whether resulting from discounted income tax rates, family tax credits, student allowances, or payments from Work and Income – be acknowledged as a beneficial return on our public equity; and that any extra moneys payable to people with special needs such as disabilities, unemployment or sole parenthood are transfer payments that, in civilised societies, those without such needs are willing to pay.

A fruitful marriage of the concepts of ownership, equity, public and distribution can lead us out of the conundrum that higher productivity (due mainly to intangible and infrastructural equity in the public domain) presently leads to higher inequality as those with private equity claim the increased rewards.

Hopefully no government will ever legislate to prevent these words from being used in either traditional ways or in their broader contexts. Without suitable language, solutions can neither be imagined nor communicated.

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