

Media Imagination: Asking the Right Questions

Keith Rankin, 27 February 2015

There are many concerns about the state of the 'free' (as in 'free speech' not 'free lunch') media today, and many of them relate to the conflicting pressures to inform, to make the powerful accountable, and to make a profit. Clearly the latter two pressures are in conflict with each other, and each of those will bias the information communicated to their dwindling audiences who are increasingly migrating to the 'free' (as in 'free lunch') social media.

My concern is more with the more responsible (less tabloid) media, and that includes publicly-funded media. Many journalists in this sector do a very good job, and under considerable pressure from diminishing resources, and pressure to be risk-averse. Yet they could do much better.

It's like the challenge in 2008 that Queen Elizabeth posed to the economics profession: "Why didn't you see [the global financial crisis] coming?" The answer, long after an embarrassed silence (days, not minutes), was "a lack of imagination". (We could call it a lack of 'professional imagination'. It's too easy for economists to hide behind their algebra, and econometric models loaded with value-laden assumptions.)

Two stories this week have been about MPs' pay. One is about the five percent pay rise granted our MPs yesterday. The other was about former British Foreign Secretaries Malcolm Rifkind (who I remember as a Scottish Tory MP from when I was in the UK 40 years ago) and Jack Straw; both current MPs. They were caught on video offering commercial services (effectively insider services) to a bogus Chinese company as if they were self-employed, when in reality both as MPs are earning salaries well above the average fulltime UK wage.

The small issue about New Zealand MPs' pay is whether their salaries should be indexed to remuneration in the market sector. The bigger and more interesting issue is what the MPs' pay increases tell us about the people their salaries are indexed to.

The important questions are 'Why do executives in the market sector receive bigger percentage pay increases than the rest of the employed labour force?' 'Is the production of capitalist wealth not a shared enterprise between workers and bosses?' 'Is the productivity of executives increasing faster than the productivity of other workers?' 'Can you really claim that inequality is not increasing, when the figures you use to determine your own pay reveal that the rich are getting richer?'

On this issue a good journalist should compile and tabulate something like the following information, for each census year from 1996 (when MMP began): salary of the Prime Minister; average hourly wage; average income reported in the census. Calculate the average annual percentage increase for each set of figures. Just a simple 4-by-4 table. Facts, and perspective. Facts that we can use to make up our own minds.

Some example questions on the general issue of economic rights. 'Should New Zealanders who make "incorrect" choices be denied a share of publicly-sourced income?' 'Do we as New Zealanders have membership rights to shares in the New Zealand economy?' 'Is some of our national wealth a collective inheritance?' 'Are poor people poor because they are lazy?' 'If indigence is a result of indolence, then why are gentlemen – lazy aristocrats – not poor?' 'Do people need incentives to work?' 'Why do people who do not need to work, work?' 'What does the phrase of Michael Joseph Savage "from the cradle to the grave" mean in twenty-first century New Zealand?'

And on unemployment. 'If our incomes and employment arise from other people's spending, what happens to us when other people stop spending?' 'If people who are receiving more income are not spending more, then should governments be spending more to offset this?' 'If not governments then

who?' 'Is the competitive economy like games of "musical chairs", a game in which the number of losers is determined by the number of chairs, not by the number of lazy and stupid people in the community?' 'If every single leaver of school or higher education gains excellent grades, will every such person be able to find appropriate employment?' 'Are recessions periods in which people choose to work less?' 'Do people become unemployed because they expect too much pay?'

Journalists need imagination to ask such searching questions (and to then follow them up); questions that may take us on conversations that shine light into those dim passageways many prefer to avoid. (All of our important knowledge today was in dim passageways for much of our past. While there were always professional and financial interests that constrained us from exploring those passageways, it was more often our own fears and our imagination deficits that constrained us.)

These are the kinds of questions our serious journalists should be asking, and requiring our 'rulers' to commit their thoughts on these questions to the written record. If the Queen can probe a little, then so can our professional probers.

Journalistic professionalism requires some grounding in philosophy, history and statistics. Journalists ask questions of academics, of politicians, of bureaucrats, and of business executives. It would help if the academics at least were well-grounded in the philosophies of and the history of their disciplines. Economists (armed with professional imagination) would be grounded in the assumptions of their discipline, and the realities of economic history. Journalistic shallowness is too often complemented by academic narrowness.

I'll use the Auckland housing issue as a final example.

As we all understand, if we reflect a little, the housing market is actually two quite different markets: a market for dwellings, and a market for financial assets. We can imagine a Venn Diagram showing the meeting of these two markets. The intersection – the part in the middle – is that of owner-occupation. We spend most of our media time discussing this issue as if owner-occupation is all that really matters. In part it's because the consumers of our mainstream media are owner-occupiers who have difficulty conceiving other ways of living, and who are somewhat obsessed with property values. Once upon a time ago the wealthy wore much of their wealth, as jewellery. Today we expect to live in our wealth.

Yet to understand the housing issues, we need to look outside of the intersection of the Venn Diagram. We need to look at the dwelling market in its totality; and the financial asset market in its totality. It means that we need to investigate the issue of unoccupied, underoccupied and unwarrantable houses.

To what extent are Auckland's real housing issues – the issues that lead to homelessness if not resolved – a result of houses being bought by people who have no real interest in those houses functioning as dwellings. We need to know the extent to which our existing housing stock is not efficiently available for the purposes for which houses are intended. We need to know what people who own houses that they do not live in are doing with those properties. We know that many such people rent out these properties, and are excellent landlords. But how many do not rent out their properties, or are not excellent landlords? Then we should be asking about the financial strategies being pursued by people who own properties that they do not live in. Are these strategies destabilising for people who do live in such properties, as tenants? And are these strategies destabilising for the wider financial system?

Journalists are barely asking these questions. They, like too many readers, are blinded by the perception that we either are or should be owner-occupiers. They look at the issue with blinkers on.

Here are my thoughts about the media. Address the big issues that are in the political too-hard basket. Take off the blinkers. Require those in authoritative positions – in politics, academia, government and business – to commit to the public record their beliefs (and assumptions) on these issues. Accountability is about more than ensuring politicians are not lining their own pockets.