

MMT, Journalism and a post-truth world

In 2016 YouGov asked the UK public if they felt “politicians and the media talk about economics in a way that is accessible and easy to understand”.

Only 12% answered yes.

7% C2DE

15% ABC1

Economics dominates the political sphere

- most policies justified in terms of it
- economic growth dominates discussion



Before 1950 'the economy' was not mentioned in the political manifestos of political parties.

By 2017

Conservatives mentioned it 74 times

Labour mentioned it 56 times

Lib Dems mentioned it 52 times

2010: first American-style TV debates.

2015: Four live TV debates between David Cameron & Ed Miliband. The most influential media source for voters – more than newspapers and social media.

The deficit and public spending were the only topics to come up in all four debates.

Portrayed as most pressing matter for the electorate.



Economics dominates the political sphere, but economics is dominated by “neo-classical” theories

- **neo-liberal in micro** – deregulation, privatisation
- **austerity for macro** – government expenditure to be constrained like a household budget

Enabled even after the crash because politicians repeat that we had maxed out the **nation's credit card** and needed to stop borrowing; that the Labour government had **spent too much** and crashed the economy; that without drastic cuts to public spending, the **UK could end up like Greece**.



The
Economist

Fake news flourishes when partisan audiences crave it

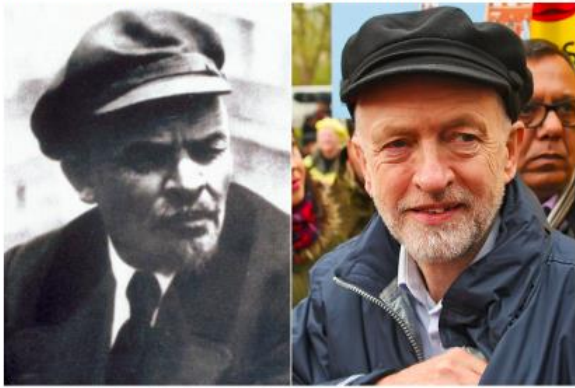
Demand for lies and misinformation encourages media organisations to provide them

Jean-Claude Trichet, chair of the ECB —

‘the idea that austerity measures could trigger stagnation is incorrect’

June 2010

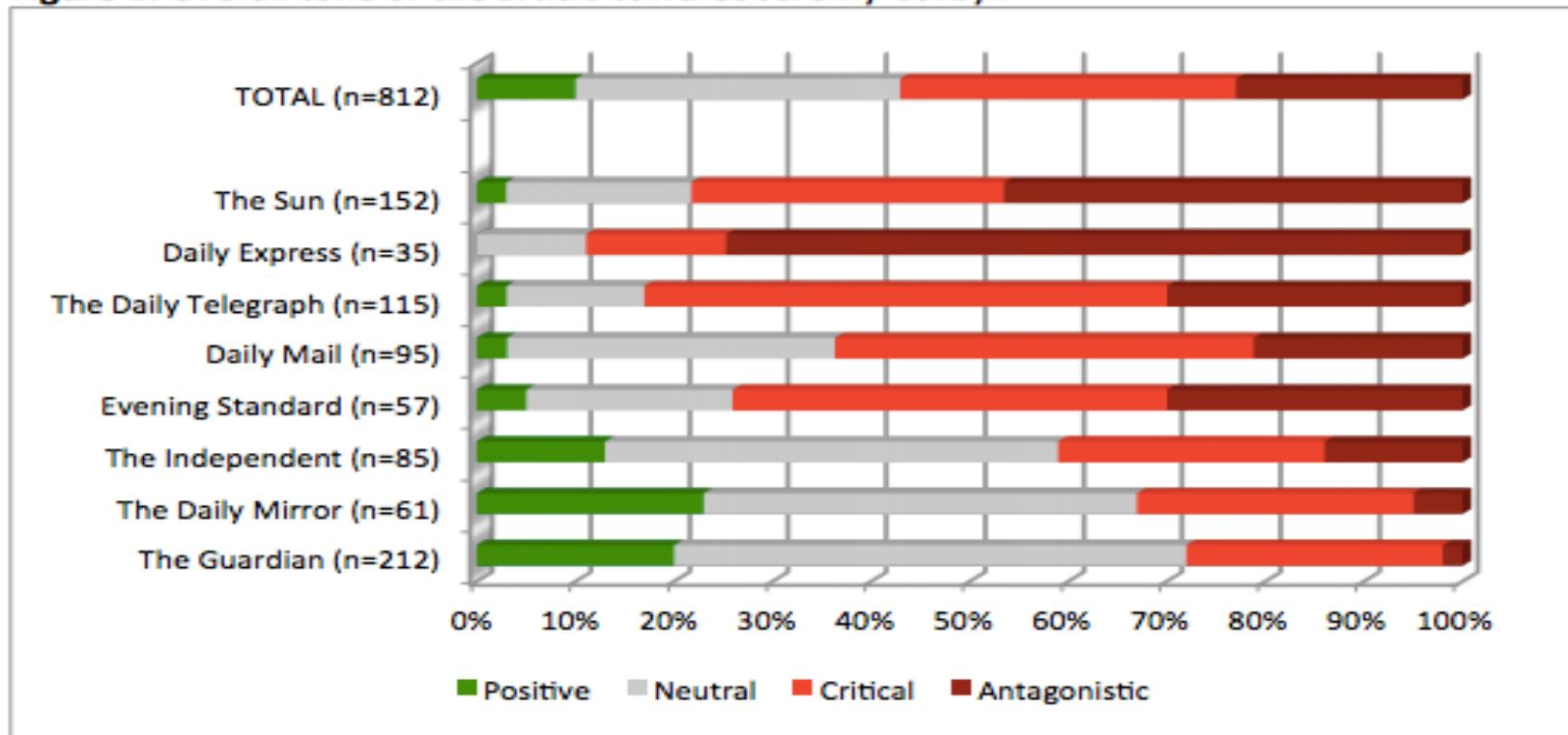
Figure 3: Lenin and Corbyn in *The Sun*, 30 November 2015



Comrade Jeremy ... in cap like Russian revolutionary Lenin at rally

The "antagonistic" tone refers to the "delegitimisation" of Jeremy Corbyn by being "scathing," "disingenuous," "insulting" or "mocking"

Figure 1: Overall tone of the article towards Jeremy Corbyn



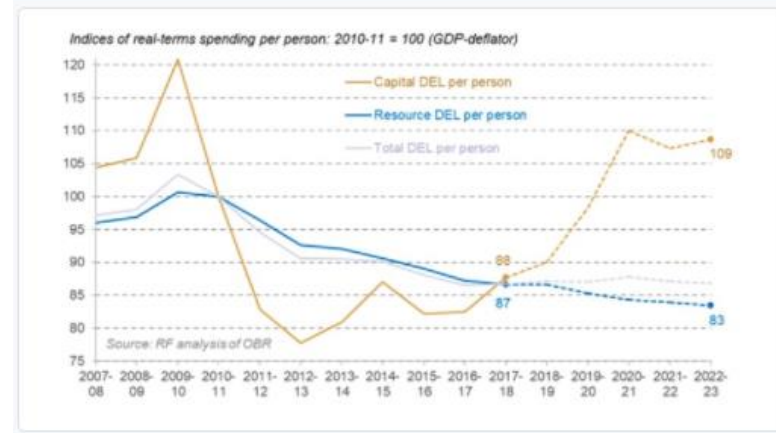
Is there any wonder we have a credibility crisis, when we squander it daily?

PR or journalism?
Headlines a day after



Focusing instead on resource spending (RDEL) – what we use to pay teachers' and nurses' salaries, run prisons and libraries – real spending per person is on course to fall further in the coming years. Austerity, says [@TorstenBell](#), ain't over yet.

Twitter within minutes
of speech



'Why did no one see
it coming?'

- Queen Elizabeth II

At the LSE

Oct 2008

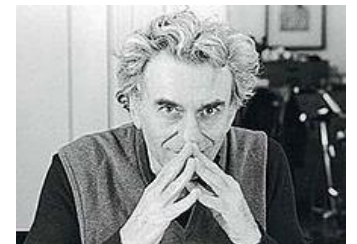
Notes

INTRODUCTION

1. Norman Tebbit's advice in 1981; he repeated it in 2011.
2. The Queen's question might have been more accurately posed as 'Why did no one in mainstream economics see it coming?' What follows is about the views of the economists 'in power'. To a number of economists *outside the mainstream*, such as William Black, Stephen Keen, *Randall Wray* and James Galbraith, it was obvious that the financial system was on an unsustainable roll. Of those in the mainstream, Raghuram Rajan and Robert Shiller can claim credit for having foreseen a crisis, for various reasons. The general cause of the financial collapse had been *previsioned by Hyman Minsky in his 'financial instability hypothesis'*, see Minsky (1992).
3. Quoted in Kynaston (2017), p. 358. Montagu Norman to Henry Clay.
4. The original is a bit more verbose than the familiar form given above. Ronald Reagan's actual words were: 'In this present crisis, government is not the solution to our problem; government is the problem.' (See Reagan (1981).)
5. Hicks (1976), pp. 208-9.
6. Keynes (1936), pp. 383-4.
7. Dasgupta (1985), pp. 1-2.
8. Marx and Engels (1963), p. 50.

The game of policy making is rigged; the theory used determines the questions that are asked and the options that are presented. The prince is constrained by the theory of his intellectuals -
Hyman Minsky

(men and women in power who believe themselves above every influence are, in fact, slaves of long dead obscure scribblers)



Journalism let this happen.

- failed to interrogate its own failures
- failed to be curious
- failed to give equal weight to those voices outside of the mainstream

Public trust in UK media has reached all time lows

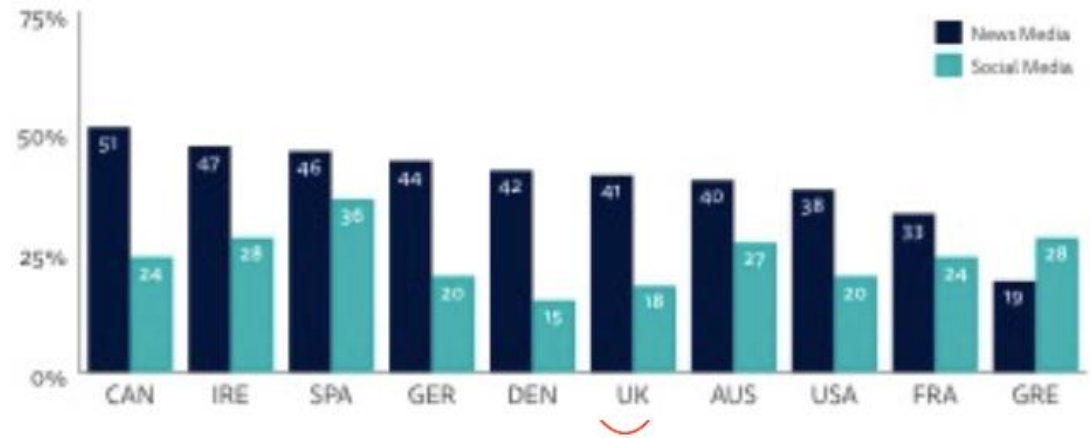
“In 2017 at 24%, trust has only been lower in the aftermath of the phone hacking scandal of 2011... the proportion of people saying they regard familiar news organisations as reliable and trustworthy fell in 1 year from 55% to 48%. Under 35s are particularly distrustful.”

Just 2 in 5 respondents to Reuters News report agree that the media does a good job in helping separate fact from fiction

TRUST IN THE NEWS BY POLITICAL ALLEGIANCE - UK AND US



PROPORTION THAT AGREE THE NEWS MEDIA/SOCIAL MEDIA DOES A GOOD JOB IN HELPING SEPARATE FACT FROM FICTION - SELECTED COUNTRIES



Guardian.com performs strongly behind BBC, Sky News & ITV – Google News figures very high...

| | BBC website/app | Sky News website/app | Daily Mail website/app | Guardian/Observer | YouTube | Google News | MSN News | Yahoo News | Huffington Post | ITV/ITN* website/app | Telegraph website/app | Independent website/app |
|---|-----------------|----------------------|------------------------|-------------------|---------|-------------|----------|------------|-----------------|----------------------|-----------------------|-------------------------|
| | 989 | 290 | 286 | 253 | 224 | 187 | 180 | 175 | 170 | 154 | 117 | 113 |
| Is important to me personally | 77% | 74% | 56% | 68% | 62% | 76% | 60% | 54% | 50% | 63% | 47% | 59% |
| Is high quality | 81% | 80% | 51% | 74% | 53% | 65% | 50% | 44% | 47% | 67% | 64% | 64% |
| Is accurate | 78% | 74% | 52% | 68% | 43% | 61% | 50% | 43% | 50% | 70% | 59% | 69% |
| Is trustworthy | 76% | 73% | 48% | 72% | 41% | 60% | 49% | 46% | 48% | 66% | 55% | 59% |
| Is impartial | 68% | 74% | 40% | 52% | 44% | 61% | 49% | 42% | 49% | 62% | 46% | 54% |
| Offers a range of opinions | 69% | 74% | 48% | 60% | 67% | 66% | 50% | 48% | 54% | 66% | 57% | 60% |
| Helps me make up my mind | 66% | 68% | 47% | 63% | 50% | 59% | 44% | 37% | 43% | 63% | 53% | 58% |
| Helps me understand what's going on in the world today | 80% | 82% | 58% | 76% | 56% | 74% | 53% | 51% | 58% | 67% | 62% | 68% |
| Has a depth of analysis and content not available elsewhere | 66% | 75% | 47% | 73% | 57% | 59% | 45% | 35% | 50% | 65% | 63% | 62% |

Online is now the primary source of news for 61% of people aged 18-34

Social media is the primary source for a third of people aged 18-24

Facebook 3rd most popular news source after the BBC & ITV, major surge since 2016 when it was 13%

| | 2018 |
|------------------------|------|
| BBC One | 62% |
| ITV/ITV WALES/UTV/STV | 41% |
| Facebook | 33% |
| BBC News Channel | 26% |
| Sky News Channel | 24% |
| BBC website/app | 23% |
| Channel 4 | 18% |
| Google (search engine) | 17% |
| Twitter | 14% |
| BBC Two | 14% |

Social media gets high scores on personal importance + diversity of opinions – Facebook ranks lowest for trust/accuracy

| | Facebook | Twitter | Instagram | Snapchat |
|-------------------------------|----------|---------|-----------|----------|
| Is important to me personally | 57% | 63% | 57% | 59% |
| Is high quality | 39% | 48% | 41% | 43% |
| Is accurate | 36% | 43% | 42% | 40% |
| Is trustworthy | 35% | 45% | 41% | 40% |
| Is impartial | 37% | 43% | 41% | 41% |

What is to be done?

1/ Change the story

The government has become a tool of big business and banks, elevating the interests of the rich rather than giving equal weight to the needs of everyone.

Make it possible for everyone to lead a meaningful and fulfilling life. Society is currently focused on profit. People chase money rather than happiness.

MMT is a very useful way of framing the economy
and challenging neoclassical ideas
It allows you to think differently, to change the frame

The Guardian view on a job guarantee:
a policy whose time has come

Editorial

Ministers need to adopt measures that secure a basic human
right to engage in productive employment

The Guardian view on record
employment: Not the whole picture

Editorial

Economic insecurity means that real unemployment is double
that which is officially recorded. A new institutional framework
to deliver and maintain full employment is needed

The Guardian view on the NHS cash
boost: pay for it with deficit spending

Editorial

The public knows that the health service needs more money.
Theresa May's offer is a start - but unlikely to be enough

Recognise that inequality is a real and growing problem...
see power relationships

People and groups have different opportunities in society

Stress the importance of manufacturing within the UK

See the trade deficit, don't see the City as the be all and
end all of the our economy

There is a place for common ownership of goods and
services

See the government as responsible for managing and
improving the economy

MMT: Part of a tradition

Michal Kalecki, John Maynard Keynes,
Lorie Tarshis, Joan Robinson, Nicholas
Kaldor, Abba Lerner, Hyman Minsky,
Paul Davidson, Wynne Godley.



Radical

Where a government issues its own
currency it doesn't matter how large its
debt grows, it can always pay it



There's a chance to “rewrite the underlying rules” of politics. Yet why would voters trust parties whose economic policies have produced the worst decade for UK growth since the war? Or believe that they would hand control back to people when they spent decades claiming the government’s hands were tied and there was little ministers could do to reduce the costs of unpopular policies?

BBC In the last election, Theresa May did not turn up to the live TV debates. She did however agree to be interviewed by a live studio audience. The prime minister was asked whether she can 'sleep happily' while NHS staff use food banks

She was criticised for telling a nurse who hasn't had pay rise for eight years: 'There's no Magic Money Tree'.

A few weeks later turns out there was....

