

Jason Hickel, academic and journalist

Interviewed by Jessica Anania

JA: As someone who has written for Al Jazeera and understands the journalism side and who understands these issues on an academic level, what are the mistakes you see people making?

JH: The first thing I'd say is that the media loves to cast income inequality as a static problem, as if the accumulation of wealth is unrelated to the creation of poverty. The assumption seems to be in a lot of media discourse that it's not really a relationship between the two sides – it's not really a relational view. It's that some people fail to accumulate while others have accumulated quite a bit successfully, right? But in reality, if you look at the economics of it, it's important to point out that the processes of wealth creation are really closely related to processes of poverty creation. You can't have one without the other really. In the U.S., there's a really important history that has created these dynamics. It's crucial to understand these if you're going to piece apart why inequality is increasing today. I can talk about that history if you want me to.

JA: Yes, please elaborate.

JH: It's important to recognize that wealth can really only come from two places and that's from land or human labor. Those are the only two sources we have with real value on the planet. In the U.S., the question of inequality ultimately has to do primarily with labor, which is easier to understand than understanding land. When it comes to the idea of value creation through labor, the question is how much of value that labor is producing is going back to the workers themselves and how much is being sort of sectioned away by the people who own the means of production, right? Own the factories and own the machines and so on. And so in the US, we've actually gone through a really interesting shift in our history. So during the gilded age, as you're probably aware, there's really extreme levels of inequality which were sort of built on the back of extreme labor exploitation. And then after WWII, there was a kind of broad consensus around the idea of the New Deal, which was kind of a class compromise. The idea was basically that if you pay workers decent family wages, they'll be productive and loyal, and most importantly they'll be able to consume sort of a mass produced set of quantities and stimulate that demand. And ultimately it improved the economy. This was basically Keynes key insight. This is what we called Keynesian economics. It's a trade of that they managed during this era, during this sort of post war era. The key to the trade off was making sure that there was strong labor laws that would allow the labor movement to flourish and sort of build strong unions. Then we had increasing union density and union membership up through the 40s, 50s, 60s, and 70s. Then we see the beginning of the Reagan administration there was a big initiative to push back against these unions on the basis that people thought they were becoming too strong because profits rates were being declined and wage rates were going up nicely. And so Reagan was

going to keep profits up by dismantling the labor movement which is in an indirect way opening up by opening by free trade and globalization, which exposed US workers to competition from extremely cheap labor abroad. So this is why you see factories, like say car manufacturing, move from Detroit to Mexico. And this essentially just destroyed the labor movement and union density crashed really dramatically. What we actually saw was that workers were no longer able to bargain against capital to keep their wages high, so there's a portion of the value they're producing diminished while they proportion of the value there producing that was claimed by capitalists was increased. And this sort of became the primary driver of inequality after 1980s, and so what we see now is that wage rates are actually declining at the same time as worker productivity rates are increasing. So what we're seeing is workers are producing more value, and they're actually getting less in return for it. And that's the basic driver of inequality in America.

JA: So looking at that, if you're writing an article that pertains to inequality and that pertains to these issues, how do you reference this context? Is there a way you think journalists can be including this context in their articles? If so, how could you better do that?

JH: Its important to make reference to the labor question. That's really essential. It's really sort of meaningless to talk about income inequality or wealth inequality without referencing the stagnation of wages. So you see managers of major corporations – their salaries going up really high. You see corporate profits going up really high, but we see wages stagnating. I think the crucial thing to point out is that the workers don't have any political power anymore. And the only way to arrest that trend of growing inequality is to rebuild the labor movement. So I think making reference to the role of the labor movement is really essential for drawing in that context.

JA: Would you say that the media industry as a whole – the issues within the media industry with things like unpaid internships, large conglomerates – feeds into a lack of coverage of these issues? Or would you say they're completely separate?

JH: I think that's a really important point to make. In America right now, and its very similar in Britain although not quite as bad, essentially 90 percent of the media that people consume is produced by five or six major corporations. And so one of the essential things to point out is that this is essentially the kind of corporation that benefits from inequality. And the kinds of laws that go into making that possible. And so its highly unlikely that were going to get really fair, critical perspectives from sort of standard media sources. I think that's why people are turning increasingly to alternative online sites for analysis.

JA: What sites or alternative resources would you say are covering these issues well?

JH: Probably the best by far is Democracy Now as far as TV coverage. I can always trust that I'm getting good news from them – like good, critical coverage of issues. I think that Al Jazeera is going to contribute quite a bit to that. There's also really good, critical stuff on economics coming out of Russia Today. I realize that there's a problematic view of politics behind that as well.

JA: That's interesting, Russia Today? It's interesting you say they cover income inequality really well – I feel like a lot of people wouldn't expect that.

JH: Yeah, they do a really good job. There's this guy, the sort of main economics commentator, is a guy named Max Kaiser who's got his own show on Russia Today. I'm not sure how widely available that is in the states, but it's very popular in the UK. And I think he's pretty good at ripping apart the standard class justification of what's going on.

JA: Moving into definitional questions, what is your definition of the middle class, and how do you think that definition has shifted as you're talking about the historical context?

JH: Yeah, that's a good question. I want to ask with respect to this question, do you want to just talk about the US or do you want to talk about the global context?

JA: Preferably both. Let's start with the US and then compare that globally.

JH: Okay, I'll just go ahead and talk about the global context. I think that probably the biggest mistake we're seeing in discourse about global inequality and poverty is that it's basically just reproducing the standard line we're getting from the World Bank and the Millennium campaign is that poverty is being reduced economically and that it's basically on its way to being extinguished completely, right? That's what they're saying. So it turns out that there's actually a really big problem with this narrative. It all depends on the way they've changed the numbers to make it seem like things are getting better faster than they definitely are. I've done work on this, actually – have you come across this?

JA: Yes, I read your article about poverty myths and poverty reduction lies.

JH: Yeah, that's basically what I'm talking about. So there's actually a pretty boldfaced lie we feed the public about poverty reduction. I think it's really important for journalists to start exposing that. There's plenty of academic information on how that misrepresentation is being conducted. It's easy to access that and important that it makes it into mainstream consciousness. Also people are measuring poverty according to this \$1.25 line, which is just not at all adequate for people to live on in the vast majority of the world. The international poverty line is supposed to work by reflecting what a \$1.25 could buy in the US in 2005 and the assumption that it is possible for someone in the US to survive on a \$1.25 a day in 2005 is totally absurd. Even the US government's own analysis says that you'd need at least \$4 a day to

survive at the most frugal level in the US in 2005. So its really essential that we stop going with these absurdly low numbers for the poverty count and use more realistic numbers like \$2.50 a day, then were going to see a poverty head count around 3 or 3.1 billion people, which is almost triple what the World Bank would have us believe it is right now. And if we use the poverty line of \$5 or \$10, then we see something like 5 to 6 billion people in the world are living in poverty, and that number is actually getting bigger, not smaller. It all depends on how we measure poverty. I think that journalists need to do a lot more to question the kinds of numbers that development theorists are throwing out. That's really essential.

JA: Do you think that the failure to questions those numbers comes form maybe laziness, just looking at the numbers you're given in a press release, or do you think it's a lack of understanding?

JH: I think that there's just not much critical engagement with press releases, I find. I'm not even sure that people do a critical investigation. There's sort of a lot of parroting of talking points. For example, for the Millennium campaign, they put out press releases. Journalists just repeat it. Especially when you have numbers like this, these numbers are so important and not having critical engagement is really dangerous. The biggest thing to point out is that in the global south, the World Bank has no credibility left. It's just a completely discredited organization. So its not clear to me why people in the west are just ready to believe whatever the World Bank says, when the vast majority of the people think its wrong. It has been wrong for a long time, and its actually been promoting really dangerous policies. I guess the point is that the world bank has been serving the interests of the already rich countries for the most part, so its not clear why we would be trusting them with numbers on poverty reduction. Its clear that this narrative they're producing is intended to serve a specific set of interests in the world. I think what journalists need to do more is piece apart whose interests are being served by this kind of narrative. Why has the World Bank been telling this kind of story? Whose interest does it serve?

The other really important point that's related to the history of U.S. labor movement is to understand that in the same way, in the global context, the accumulation of wealth is deeply related to the production of poverty. Poverty is not just a thing that is out there, that poor countries have always been poor and so on, but in fact their poverty is related to the wealth of the rich world. Not only due to the obvious things like colonialism and trade and so on, which includes the trafficking of human labor and resources from poor countries to rich countries, but also we can see that same process happening today in new forms. So like land grabbing is a big deal. Tax evasion is a big deal. More than one trillion dollars in tax evasion is being siphoned from the global south to the global north each year. Debt repayments – another 600 billion dollars being siphoned from poor countries to rich countries – etc. which just really dramatically outstrips the flow of aid that trickles from the west to the third world. So I think it's really important that we get beyond this narrative the west is trying to help poor countries. It's just not true. It's exactly the opposite. The west is

extracting from poor countries, and that's the reason why were seeing really extreme levels of inequality on the global stage. I'm sure you've seen the report recently that pointed out that the riches 80 people in the world have more wealth than the poorest 2.5 billion, which is half the world's population. We've never seen levels of poverty this is extreme.

JA: Looking at media consumed by people that are making these kinds of decisions, it tends to be western. So would you say that journalists have an interest in buying into this myth?

JH: I don't know if journalists themselves have an interest in buying into it, but it makes it much easier for them to not ask questions about it. If you're a journalist in the third world and you encounter some of the popular media discourse in the west on poverty, you're definitely going to ask questions because it doesn't make any sense. Its not clear that aid is making things better. And you know for a fact that there are corporations in your backyard that are extracting wealth in a really unregulated way. You intuitively know what the problem is. We've just come to accept this idea that our countries are doing good things for the third world, and that's just not true. We need to look at that more carefully.

JA: So moving outside of these myths, how would polarizing this issue politically play into journalistic coverage, both in the US and then globally? But mostly for the U.S.

JH: it's a tricky question. I think that journalists should in fact polarize this issue, because it's impossible to talk about inequality without a kind of polarized view. I think the important thing is to recognize that inequality is in fact a political problem, and it serves some peoples' interests and really violates others'. I think that's important. I would say the problem with the way the media represents this problem is that it is in fact not polarized, when in fact it needs to be.

JA: That's interesting that you say it needs to be. I feel like often the conversation with these kinds of issues is about needing to depoliticize them. How do you think polarizing the issue improves coverage?

JH: I would say it needs to be polarized because we need to recognize that there are antagonisms at stake. I don't mean to say that I think a journalist needs to take a political opinion on it, but they need to recognize that the question is highly political. In that sense, it's impossible to have a story about inequality without being political. One of the big problems with media discourse on inequality is the fact that its often cast as a mistake, like an honest mistake in the system, like no one really intended for it to happen. But in fact, the system is functioning as it was designed intended to do, and inequality is an intrinsic piece of it. It's intended to produce inequality, and now that the regulations that have stopped that process from happening have been dismantled and we are seeing it proceed. The important thing is to recognize that the system is set up through inequality. If you're going to be pointing that thing out,

it's going to be antagonistic. I think that's actually what media needs more of, is to recognize the core class antagonisms that are at the center of the problem.

JA: So you would recommend more antagonistic journalism?

JH: It's not that I would recommend more antagonistic journalism, in the sense that journalists need to be antagonistic. I think that journalists always need to be antagonistic to power figures. They should never just accept what power figures have to say. Another big problem with us media is that you get journalists interviewing people in power and they just bend over backwards to make them happy, where in the UK there's a bit of a different tradition that I've been recognizing. And that's that when we have these opportunities to interview a person in power, you do your best to try and pull them apart, because that's just what you need to be doing. I think that's really important, to never take for granted what people in power say. And always to push back and ask questions about it. In that sense, yeah, I think that journalists need to be more antagonistic. I didn't mean that they need to be more antagonistic about the issue in their writing as much. What I mean is that they need to recognize the antagonisms that are at stake in the problems themselves, in the problem of inequality. There are people that are big losers, and there are people that are big winners, and that needs to be exposed.

JA: In one of your articles you linked the video you created that shows the global inequality illustration, and you were talking about that viral video was really popular with the US. Why do you think that kind of visual coverage gets more of a response than maybe a text piece with the same numbers?

JH: Yeah, that's a really good question. It's maybe not just the visual nature of the depiction, but maybe also the timing of it. It came out at the perfect time in terms of Occupy Wall Street. Occupy Wall Street really sort of changed people's expectations with inequality in a big way. People were kind of primed for a new, critical take on it. And that video just came out at the right time and was pushed by the right people. It's certainly possible that visual depictions are more powerful in the age of the Internet, where people surf for a visual experience, and it kind of cuts through the noise of constant statistics. But at the same time I think it's a product of its age and the time that it came out.

JA: What kind of response have you all seen with the video you created?

JH: Yeah, we were really surprised by how quickly it went viral. I think we have close to half a million views on that, which we didn't expect at all. Especially because we made it with really low budget animation that we did kind of on the fly, and it took off really nicely. I think again it's a message whose time has come. I think that's the luck of the journalist. There's actually a really popular demand for these kinds of critiques. There's just not enough of it being produced. It's really interesting for me because I've been following the issue of inequality for the past 15 years, and I remember back in the day sort of the earlier 2000s, I saw nobody was talking about

the issue. It just wasn't really on the radar. There were a few kinds of lone voices out there making noise about it, but for the most part, there was silence. And then suddenly there was occupy Wall Street. Now *The New York Times* does stories on inequality all the time, which they never would have done five years before that. And so it's interesting to see how the issue has really taken off, and there's a lot of demand for a better understanding of what's going on. The very fact that Thomas Mackenzie's book on income inequality became such a popular best seller. Especially being 700 pages long and packed full of really dense statistics. It definitely shows that there's a hunger out there for analysis of this issue, and not just mundane analysis, but really charged hard-hitting analysis.

JA: Well that was most of what I wanted to ask you. Was there anything that we didn't touch on that you think is really important to include in the guide, or something that you've observed in journalism that you want to mention?

JH: Yeah, I think that there was that question you asked about the middle class. I think that's also a really important issue that you're touching on. And I think the issue to be made is that the middle class is a fiction of our imagination these days. This goes back to the history of labor that I was talking about. This old idea was that the middle class would be earning stable income and would become the most powerful political force in our democracy. That idea is extremely gone. These days the most powerful force in our democracy is the elite and corporations. And this is made clear by recent laws like Citizen United and so on. That paper that was published by the Princeton researchers who pointed out that the US is now formally an oligarchy. It's just very abundantly clear that the middle class no longer has the status that it used to. And I think that the problem with the idea of middle class is that it's a deeply apolitical concept. And I think we really need a discourse about class that again has more antagonism to it. That bringing people in solidarity against people who are screwing them, so to speak.

I think that's why the occupy discourse of the 99 percent versus the one percent became so powerful, because it sort of recast the idea of class antagonism in a much more accurate way. Like the middle class is being screwed by the people who have taken over the political system.

JA: Yeah, that's a conversation we've been having within our group that's been doing this project, that dead myth about the middle class and the American dream, and just the fact that the income that's considered middle class really doesn't lend you any political clout.

JH: I guess the last thing I'd say in terms of context is to understand the history of what economists call neoliberalism. Like the middle of the 1973 oil crisis, the third world debt crisis, and the way the IMF got retooled to bail out third world countries with structural deficits programs that radically deregulated their economies. I think that's really important to understand, not just how global inequality is operating,

but how inequality in the US is operating because of the way they've dismantled the labor movement.

JA: Could you speak briefly about how neoliberalism is tied – not just in a global context – but to the U.S.?

JH: the best way to start is with the 1973 oil crisis, which ended up producing the OPEC oil cartel which made a lot of money during that crisis because they clamped down on oil. So the Arab banks had tons and tons of extra money and didn't have anything to do with it. So the US convinced them to circulate their petrol dollars to Wall Street banks. Then what the US did with that extra money was to give out loans to third world countries which were really desperate for capital after being destroyed by colonialism for so long. And so they pushed these loans out the door with really high interest rates and eventually this led to the debt crisis. So the IMF was remade to bail these countries out. But the conditions for being bailed out were what they called structural adjustment, and that essentially forcibly liberalized their economies. So that's on a global scale. But then what happens there is that because those economies are then liberalized, all of our sudden major corporations have access to them, so this is where you start seeing in the 1980s American companies moving overseas to set up operations there which helped undermine the labor movement in the US. So the destruction of the labor movement in the US was deeply connected to what happened with structural adjustments in the global south. They really can't be separated. I guess the other really important piece to point out is that there's not only a lack of democracy in the US political system, but there's also a lack of democracy in the global political system. The vast majority of decisions that are made about global economics are being made by the World Bank and IMF and WTO. Those are deeply antidemocratic organizations where the voting power is held by the richest countries, and where the US holds veto power. Literally, there's truly no hope of eliminating poverty and having a fair global solution for global inequality until these are democratized in a serious way. In the 1980s everyone used to say that if you talk about solving problems of inequality, you sound like a socialist or a communist. But actually it's not true. The solution to these problems is not communism or socialism. It's just democracy. And that's something that the US claims to believe in but in fact, in reality doesn't have.

JA: so then just to bring it back to journalists, that journalists have this obligation to represent democratic thought and the people, and if so, will that help to improve coverage of these issues and maybe even alleviate them?

JH: Yeah, definitely. I think that the first obligation is to make sure that journalists are consistently pointing out the shadows that actually run our political system, and show that the ordinary people in our democracy have less power. I think that's a really key obligation for journalists to expose. In the extent of getting people's stories about their own disenfranchisement is helpful to that end. That's important.