

What's the economic truth the BBC's hiding?

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In 2023, the BBC admitted that comparing government finances to a household budget is “dangerous territory” that can mislead audiences. And yet we still hear that myth every day.

Its own impartiality review said household budget analogies are wrong. So why do they keep talking about them?

Why? Because the myth is politically useful. It limits debate, justifies cuts to public services and social security, and presents ideology as arithmetic.

In this video, I unpack what the BBC admitted, why the myth survives, and how we challenge it.

Fiscal policy is about choices, as the BBC knows. It's time the BBC started making better ones when talking about that fact.

<https://www.youtube.com/watch?v=MdVRFYDsyNU?si=1bBttOTBh2qY3ZP0>

This is the audio version:

https://www.podbean.com/player-v2/?i=8sni3-1a55e1e-pb&from=pb6admin&share=1&download=1&rtl=0&font=Arial&skin=f6f6f6&font-color=auto&logo_link=episode_page&btn-skin=c73a3a

This is the transcript:

In 2023, the BBC admitted something quite remarkable. It said comparisons between household economies and government finances are, and I quote them, "Dangerous territory and can easily mislead." So the obvious question to ask is: If the BBC knows this, why are we still hearing the household myth every single day in their broadcasts, because that's what we actually have to suffer?

Here are their own words that explain precisely what they meant. They said: "Household analogies are dangerous territory, intensely contested, and can easily mislead." And they explained why. They said: "That states don't tend to retire, or die, or pay off their debts entirely. That is one reason why national debt is not like household personal debt." That is the BBC saying the government is not like a household, and everything they said, by the way, is true. Those statements are correct.

The review in which the BBC said this in 2023 says that the problem is not with party bias. They aren't saying that BBC journalists are trying to favour one party or another. They're saying the problem that they're facing in their broadcasts is a poor journalistic habit.

Again, I quote them, they say: "If journalists don't know the arguments, they're likely to revert to what one calls 'resting state', a set of presumptions," and they offered a warning, "never underestimate the BBC's resting state".

So, the household budget analogy survives because it is the BBC's default assumption, as it is much of society's, let's be totally honest. But this lets this myth persist. A lack of economic literacy is absolutely fundamental to its survival, and the review is blunt: "We think too many journalists lack understanding of basic economics or lack confidence reporting it," they said. And they added, "Some journalists seem to feel instinctively that debt is simply bad, full stop," and that 'full stop' is what they said, not what I added. So when journalists are unsure, they fall back on familiar metaphors, and the most familiar metaphor of all is the household budget analogy.

Why do politicians keep using it? Now that's a different reason. They use it because it's useful. They use it because they want to keep the status quo under control, and they want to limit the size of the government, but the BBC is all too ready to present fiscal policy as inevitability.

Again, the report says: "Fiscal policy decisions are also political choices; they're not inevitable, it's just that governments like to present them that way." And "The language of necessity can sound perilously close to political endorsement."

In other words, when the BBC reports that a politician has said that something is necessary, when in fact they've made a choice, they must point out that the choice has taken place, but too often they don't. Too often, they appear to imply that necessity is in fact true, and therefore they endorse the political choice as a consequence, and that is why all of this is so dangerous.

What is being done is that choices are being turned into facts. As a consequence, the BBC explicitly warned journalists that " BBC journalists should exercise extreme caution before suggesting a government 'will have to' raise taxes, cut spending, cut debt, because all of these are choices." You get my point.

The people who wrote the BBC report were worried that what were actually choices were being presented as inevitabilities. The household metaphor always comes with 'must' attached to it.

- * You must tighten your belt.
- * You must pay off the credit card.
- * You must cut spending.

That is ideology described as arithmetic. And what this report warned to BBC journalists was, they must not present it as arithmetic, they must expose the ideology, and they must talk about the facts and the choices.

So, that's what the BBC knew in 2023, but the myth still dominates now in 2026, three years after this report came out. The fact is that the resting state of the BBC, that powerful thing that they said existed, which means that all journalists revert to a norm, which is that the household budget analogy is right, is being seen all around us.

The resting state is quite simply a set of metaphors.

It's about the convenient framing of the Westminster narrative of small government.

It's about the fear of the journalist sounding political by pointing out that the politician is, in fact, making a choice.

And it reflects throughout a lack of economic confidence on the part of those journalists who appear on our screens and on the airwaves.

So, the household analogy keeps coming back, and that's because it suits politicians that it be maintained. The household myth is politically useful. It lets the government say:

- * "There is no money.
- * We cannot afford social security.
- * We must cut local government.
- * We must cut public services."

And the BBC warned this in 2023, saying, " The language of necessity can sound

perilously close to policy endorsement," but that language still dominates UK politics. BBC journalists are failing us because they repeat these phrases time and time again, and as a consequence, they also satisfy their audiences because audiences have been taught about this myth, and it is the job of the BBC to correct that fact.

The review says, in fact, that many people cannot follow fiscal reporting precisely because they do rely on metaphors, but simplicity is not true, and false simplicity creates false economics. So whilst the household myth might become common sense, that does not make it true. The BBC should be pointing that out. But the BBC then worries about making the news. The review says that journalism too often sticks to political framing precisely for that reason, and that is why it repeats the Westminster assumption that there is a household budget analogy, but that is wrong. It's up to the BBC itself to show it is wrong, and to then ask the right questions, but we are not getting them.

The BBC is really saying three things in what it wrote in 2023, in my opinion.

It recognised that the government is not a household.

That fiscal policy is always about choice and not about necessity.

And the household metaphor misleads.

That was a profound admission on its part because it meant that the language of austerity is always political rhetoric, not economic truth, and that was an enormous admission to make.

This matters. The politics of care rejects, of course, the household myth. That household myth is the foundation of the politics of destruction that leads to the economics of failure, which we see all around us. It says we cannot afford care. But if the government is not a household, as the BBC has admitted, the real questions become :

- * Do we have the people?
- * Do we have the skills?
- * And, do we have the resources to achieve what we want to make life better for people?

If we do, we can act. That is the critical point. Money is just a tool in all of this, and the government, as we know, can create the money it needs if the people, the skills, and the resources are available to achieve its goal. Taxes then simply manage inflation.

The BBC admitted the household analogy misleads. That is my conclusion, and yet the myth survives because it is easy journalism, useful politics, familiar language, and a

story people have been taught for 40 years. It's time to put it to bed. It's time to get rid of it. It's time it was challenged. So next time someone says, "How will you pay for it?" Ask them, "Why are you using a metaphor the BBC says can mislead?"

Fiscal policy is not about arithmetic. There are choices to be made. We should be talking about the right choices, and the right choices revolve around the use of people, of skills and resources. The question is never about "is there enough money available?" Because if people, resources, and skills exist, we can always create the money to put them to good use.

That's what I think. What do you think? Do you believe that the household budget analogy should be put out to long grass, consigned to history, forgotten forever as something that is totally misleading, as the BBC say it is?

Poll

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