



After years of hype, generative AI is set to transform economies and society with it, Dr Reuben Steff writes. Image: Alina Constantin/Better Images of AI (CC-BY 4.0)



### **Reuben Steff**

Dr Reuben Steff is a senior lecturer at the University of Waikato, where he teaches courses on New Zealand foreign policy, international relations and global security.

#### **COMMENT**

# **Clearer thinking needed as NZ battles compounding crises**

***The innovation needed to address negative domestic and global trends was sorely lacking in the Government's recent Budget - but there are several important things we can do shake off our current funk, Dr Reuben Steff writes***

Like much of the world, Aotearoa New Zealand seems to be experiencing a slow-motion 'polycrisis'.

We are confronting cost of living concerns and growing rates of anxiety (especially among the young), while social media is spewing ideological viruses, the university sector is being bludgeoned, and the recorded crime rate is increasing.

To compound this we face an array of negative international trends, with climate change and US-China great power competition especially pronounced - the latter hampering the vital cooperation needed to address urgent global problems.

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\* [NZ can't kick the can on global crises](#)

Unfortunately, the novel ideas and innovations we dearly need were [not on display](#) in the Government's recent budget.

There are glimmers of hope, like the Productivity Commission proposing the creation of a new Parliamentary Commissioner to assist future generations disadvantaged in society, and some researchers suggest we prepare the groundwork to [significantly improve our national resiliency](#).

There are at least three additional things we could do to advance our way out of our current funk and position ourselves for a brighter and more prosperous future.

The first is that a resilient society needs a strong state. Ultimately, [nations](#) – the sense of belonging to a larger Kiwi national collective – exist in the mind. This feeling, however, is unlikely to remain strong if the material conditions underpinning our lives – including the level and quality of governance, economic affordability, and opportunity – decline.

The ongoing [cost of living crisis](#), stacked on top of pre-existing housing and infrastructure crises, certainly feeds a sense that the New Zealand state is far from living up to people's aspirations.

The quality of nation-building is ultimately connected to state-building. If Kiwis feel that the conditions for them to flourish are diminishing (with, reasonably, young people feeling especially despondent) it will result in a loss of faith in the future and, with it, in government and the wider array of elite institutions (the media, education system and academics/experts).

**Out of the industrial age, into the virtual age**

Secondly, New Zealand's hope of remaining a first-world nation and avoiding becoming a global backwater requires emphasis on the tech and digital sector. Why? Because recent years have shown that global shocks can readily hamper our tourism industry. It's only at [approximately 50 percent of pre-COVID levels](#) and may never fully cover.

Are large-scale agricultural exports reliable in the long-term? What will stop other countries innovating over time to offset our comparative advantage in this area? We must also consider the likelihood of future global shocks that could challenge the freedom of international trade routes.

Bear in mind, too, that the Government claims to want to reduce carbon emissions, with potentially significant repercussions for the agricultural industry (never mind the emissions from all that air travel tourists undertake to get to our shores).

Indeed, as [Nasa chief scientist Dennis Bushnell said in 2021](#), NZ should leverage its status as a beautiful place to become the next Silicon Valley – it should propel itself out of the industrial age and into the virtual age. We need to actively attract the best and brightest internationally - and harness those we do have on our own shores - to forge new industries, ideas, and inventions.

The tech and digital sector are not going only going to become more central to the New Zealand (and global) economy in coming years, but will drive productivity in adjacent industries. It's an industry that can be maintained largely irrespective of the state of the geopolitical environment and potential supply chain and global trade route disruptions. This is because delivering internet-based services, coding, software, and the soon-to-be vital work enabled by artificial intelligence (AI) can be done virtually by people at home, without the export of physical goods.

Furthermore, small teams of digital experts can offset our small population and economic size relative to a mass-polluting industrial base.

Relatedly, we need to reconceptualise our education system for the emerging era. After years of hype, generative AI is set to transform economies and society with it. Anyone who has played around with ChatGPT will have an inkling of its extraordinary potential – but this is just the amoeba of AI to come. As such, what will education even look like only a few years' time? What role for our teachers, given AI will likely be able to communicate to students in clearer terms, and in a more direct, objective, and effective way than humans? These are tricky questions that require immediate consideration.

**We will need people who know how to think (and to train people in this), rather than those concerned about what they should be thinking and expressing. This will require senior officials to check their ego – they won't often be the smartest people in the room even as they are used to being treated as if they are.**

Thirdly, the government needs to improve its forecasting ability and, with it, preparations for a range of global shocks. Indeed, the New Zealand government has officially concluded that it wants to shift from a reactive posture to regional and international events to a [proactive strategy](#), - in essence, to pre-empt threats and issues before they emerge.

This is very aspirational, but how can it be made a reality? I'd wager that it requires not just additional resourcing but (vitaly) getting the right people into the right positions. Anyone who has worked in for the Government knows it is good at hiring type-A 'worker bees' to deal with the reactive churn of work. This is necessary – the modern day-to-day governance of complex societies involves a constant frenetic activity, much of which goes unnoticed by the public.

But we need critical and creative thinkers in the emerging environment, especially for the 'over-the-horizon' forecasting the government wants to achieve. This means less hierarchy and an openness to, well, original and open-minded people largely uninhibited by whatever the prevailing ideological and cultural zeitgeist is at any time.

In short – we will need people who know how to think (and to train people in this), rather than those concerned about what they should be thinking and expressing. This will require senior officials to check their ego – they won't often be the smartest people in the room even as they are used to being treated as if they are.

The best people for these tasks will be those that do not self-censor for fears their careers will be hampered. They will, as a matter of habit and interest, read and pay attention to a vast array of perspectives. Why? Because it's the best way for humans to separate the factual wheat of the real world from the chaff of ideologically closed (but, admittedly, psychologically comfortable) echo-chambers.

It's completely understandable why many people seem to be retreating into small ideological and cultural tribes these days, given the bombardment of ever-increasing amounts of information and opinions they don't like. Yet this environment interferes with the ability of many to form balanced and nuanced understandings of complex social and governance issues, and the connections between international developments and their cascading affects into New Zealand society. Instead, people seek certainty: they want to feel that their preferred beliefs are innately 'moral' relative to those that don't share their views.

Never has the need for people to be able to think more clearly been necessary; and never has it been arguably more difficult. But clearer thinking is possible and is a skill that can be intentionally developed.

In short – let’s hope our government and elite institutions are up to the task of the emerging age. No one ever said it would be easy and it requires, urgently, new, and innovative approaches.

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**Bill Hales**

3 July 2023

'There are at least three additional things we could do to advance our way out of our current funk and position ourselves for a brighter and more prosperous future'.

As far as a sense of nationhood is concerned I would argue that 'the level and quality of governance, economic affordability, and opportunity' has already fallen low enough for many of our citizens that it would be remarkable if any sense of belonging were to be a current status quo. These are the very essentials that have been steadily stripped away by neoliberalism, leaving us among the worst in the world in terms of wealth and income imbalance and the associated social despondency. The central tenet of neoliberalism is to strip back government at the expense of individualism; its core function remaining is to maintain the skewed taxation regime so that corporate wealth is enhanced and social services are minimised.

'Let's hope our government and elite institutions are up to the task of the emerging age'. Well that is one tall order! As things stand they are collectively so far away from reality that it will take a very dramatic shift in public demands if we are to be going anywhere positive into the future.

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