Austerity, Government Economic Policy and Recovery:

‘The war on poverty has become a war on the poor’

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June 24th 2015
PROFESSIONAL
OR?
COLLABORATOR

June 26th 2015

FRIDAY 26th JUNE 1.30pm,
ASSEMBLE STREATHAM MEMORIAL GARDENS
STREATHAM HIGH ROAD/ STREATHAM COMMON NORTH, LONDON SW16

PUBLIC PROTEST AGAINST
LAMBETH MENTAL HEALTH
SERVICES MERGER WITH THE DWP

Protest against the opening of "Lambeth North and South Living Well Network Hub" at Streatham Job Centre. This will be the main mental health services shop-front in Lambeth - linking the use of services with the government's "back to work" agenda and frightening people in need away from services. The protest coincides with a staff party being held to "celebrate" the opening the following week. At the same time, Streatham Job Centre hosts the first national pilot scheme of psychological therapies (CBT) for claimants suspected of having mental health problems - potentially making claiming disabled benefits dependent on consenting to this controversial treatment.

PEOPLE IN CRISIS SHOULD NOT BE FORCED TO "LOOK FOR WORK" IN ORDER TO ACCESS MENTAL HEALTH SERVICES
What’s it all about?

- The problems the current political situation poses people with long term mental health problems
- Growth of inequality (however defined)
- Financial crisis and austerity
- Consequences of austerity
- Austerity as a political choice – neoliberalism
- Implications for people with mental health problems on benefits:
  - Psychoc ompulsion
  - The changing faces of ‘recovery’
  - Resistance – ‘Recovery in the Bin’
# Top 10 Richest Countries in The World For 2015

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Average Wealth Per Adult in (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Switzerland</td>
<td>567,100</td>
</tr>
<tr>
<td>2</td>
<td>New Zealand</td>
<td>400,800</td>
</tr>
<tr>
<td>3</td>
<td>Australia</td>
<td>364,900</td>
</tr>
<tr>
<td>4</td>
<td>United States</td>
<td>353,000</td>
</tr>
<tr>
<td>5</td>
<td>Norway</td>
<td>321,400</td>
</tr>
<tr>
<td>6</td>
<td>United Kingdom</td>
<td>320,400</td>
</tr>
<tr>
<td>7</td>
<td>Sweden</td>
<td>311,400</td>
</tr>
<tr>
<td>8</td>
<td>Singapore</td>
<td>269,400</td>
</tr>
<tr>
<td>9</td>
<td>France</td>
<td>262,100</td>
</tr>
<tr>
<td>10</td>
<td>Belgium</td>
<td>259,400</td>
</tr>
</tbody>
</table>

Source: Credit Suisse Global Wealth Databook 2015
Since 15 years of growth through:

Gross domestic product at current market prices of the United Kingdom (UK) from 2000/2001 to 2014/2015 (in million GBP)

Source: Office for National Statistics (UK) © Statista 2015

Additional Information: United Kingdom: Office for National Statistics (UK); April 1, 2000 to March 31, 2015
15 years of growth since 2000 through:

- Deregulation of financial institutions and markets
- Reduction of state spending
- Reductions in benefits
Poverty in UK

The number of people in low-income households in 2008/09 was substantially higher than a few years previously. This rise occurred at all thresholds of low income.

Source: Households Below Average Income, DWP (1994/95 onwards) and the IFS (earlier years); UK; updated Aug 2010
Income Inequality – National Comparisons

Ratio of Top 20% Income to Bottom 20% Income (Average for years 2003-06)

Japan: 3.4
Finland: 3.7
Norway: 3.9
Sweden: 4.0
Denmark: 4.3
Belgium: 4.6
Austria: 4.8
Germany: 5.2
Netherlands: 5.3
Spain: 5.6
France: 5.6
Canada: 5.6
Switzerland: 5.7
Ireland: 6.1
Greece: 6.2
Italy: 6.7
Israel: 6.8
New Zealand: 6.8
Australia: 7.0
UK: 7.2
Portugal: 8.0
USA: 8.5
Singapore: 9.7
Since 1975 income inequality has risen faster in UK than in any other Organisation for Economic Cooperation and Development (OECD) country

UK is now one of the most unequal countries (in terms of income) in OECD

2010 average income for top 10% = £55,000

Average income for bottom 10% - £4,700

A ratio of 12:1

In 1985 it was 8:1

WHY IS INCOME INEQUALITY SO IMPORTANT?

(Source OECD)
The Spirit Level

Why Equality is Better for Everyone

Richard Wilkinson and Kate Pickett

‘A big idea, big enough to change political thinking’
Sunday Times

‘A sweeping theory of everything’ Guardian

WITH A NEW CHAPTER RESPONDING TO THEIR CRITICS
Health is related to income differences *within* rich societies but not to those *between* them.

Between (rich) societies

Within societies

The Spirit Level shows that a wide range of health and social problems are closely linked to levels of income inequality across the rich nations of the world. For example:

- Physical health and life expectancy
- Obesity – wider income gaps = wider waists
- Teenage pregnancies
- Violence, imprisonment and punishment
- Mental health and drug use
- Social mobility
Health and social problems are worse in more unequal countries

Index includes:
- Life expectancy
- Maths & literacy
- Infant mortality
- Homicides
- Imprisonment
- Teenage births
- Trust
- Obesity
- Mental illness (inc. drug and alcohol addiction)
- Social mobility

The prevalence of mental illness is higher in more unequal rich countries.
2008

- The government bailed out the major banks to the tune of £141M to prevent them collapsing
- 2010 - austerity becomes the UK government’s dominant economic policy
- Austerity = deep cuts in public spending (especially benefits and local authority, housing etc)
- Coalition government announces biggest cuts in State spending since WW2, mainly to benefits, along with loss of nearly 1M public sector jobs
Over 50% of all cuts fall in just 2 areas...

Local government & benefits:
- Benefits
- Local Government & Housing
- Defence
- Education
- Business & University
- Law & Order
- Energy & Farms
- Scotland
- Wales
- Northern Ireland
- Transport
- Culture

Changes in UK Central Government Spending 2008-16
Post-2008

- 2010 – 2014 the poorest 20% of the population have seen the greatest percentage cut in income than anyone else, except the very richest 10% (source IFS)
- This has resulted in an increase in absolute and relative poverty
- 2013 - unemployment had nearly doubled from a 40 year in 2004 to 7.8%
Post-2008

- Youth unemployment and numbers of long-term unemployed at historically high levels since 2008
- Expansion in part-time work, self-employed and people on zero hours contracts.
- Most of these people have no employment rights. A *de facto* deregulation of the work force.
- Women disproportionately affected – they are more likely to be working in public sector jobs, thus risk redundancy
- Benefit changes disproportionately affect women.
By 2020 there will be

- An extra 800,000 children living in poverty
- 1 in 4 of British children (source IFS)
- An extra 1,500,000 working age adults in poverty by the same time.
“The UK’s current austerity programme threatens to solidify the UK’s position as a country of growing inequality and poverty. Its emphasis on cutting public spending as opposed to increasing taxes has already begun to increase the hardship faced by people on low incomes, whilst allowing the richest bear a comparatively small burden of the pain. As millions more are expected to be living in poverty and at risk of poverty by the end of the decade, the richest look set to get richer.”

People ‘choose’ to live in poverty?

Writing in the Sunday Times before the June 2015 budget, George Osborne and Ian Duncan Smith state:

“This government was elected with a mandate to implement further savings from the £220bn welfare budget.”

“Reforming the damaging culture of welfare dependency and ensuring that work pays has been central to our mission to make Britain fit for the future.”
Consequences of Austerity

- Vulnerable people left destitute by sanctions that end their benefits if they fail to attend 'training courses' or keep a job seeker's diary.
- Manchester CAB's report on sanctions (376 respondents)
- Claimants forced to cut down on food and heating, borrow money, use food banks, or scrounge for food from skips. Others forced to beg.
- Sanctioning severely affected the mental and physical well being of respondents, e.g. attempted suicide after benefits withheld.
- The report paints a picture of lives permeated by hopelessness plunged into destitution and despair

Consequences of Austerity

- The Centre for Welfare Reform - impact of austerity, including benefit cuts and sanctions, cuts to housing benefit, and cuts to local government fell disproportionately heavily on disabled people.
- The government refused to carry out a cumulative impact assessment on the effect of these changes on the disabled.
- EHRC found tax and welfare reforms had a more negative impact on families with a disabled person, particularly a child, and especially in low-income families.
Consequences of Austerity

• IFS (non-political organisation) found that whilst the total amount spent on disability benefits has fallen, the proportion of claimants with mental health problems has increased from around 50% to 60% from 1999 to 2014, posing

• '... an increasingly central issue for future disability policy reform.' (p. 175).

• It's not only as bad as you think it is, but it's going to get a damn sight worse
At this stage I want to examine in detail the political ideology responsible for this situation.

- Neoliberalism
Neoliberalism

What is it?

'...the theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterised by strong private property rights, free markets, and free trade.'

(Harvey, D., 2005)
Neoliberalism – How it works

- The power of the state is cut right back and withdraws from welfare and social provision.
- Role limited to the creation of institutional frameworks necessary to support free markets.
- E.g. guaranteeing market functioning, providing the necessary legal structures to secure private property rights.
- If appropriate markets do not exist, the state may create them e.g. privatisation of public utilities.
- Neoliberal economic policy requires the deregulation of financial markets to encourage competition.
- This is why the Panama Papers are so important.
Neoliberalism – a key feature

- Individual freedom versus collective responsibility – Reagan / Thatcher
- 'There is no such thing as Society. There are individual men and women, and there are families.'
- 'All forms of social solidarity were to be dissolved in favour of individualism, private property, personal responsibility, and family values.' (Harvey, 2005:23).
- Individuals stand or fall by their personal responsibility for their own decisions, actions, and choices.
- Being wealthy or in poverty are personal *choices*
If the origins of personal success or failure are seen only as a property of an individual who is free to choose and act, then it follows that the consequences of his or her decisions and actions have nothing to do with the wider social and systemic contexts in which that individual is located.
Clinical psychology and therapy have become incorporated into government action directed against disabled people on benefits.

Psychological 'assessments' and 'interventions' threaten to control the lives of countless citizens with disabilities and health problems.

This occurs through sanctions and workfare (being forced to work 'voluntarily' for private sector firms in order to receive benefits.

But worst of all is the use of psychocompulsion based in positive psychology.
Those who are seen to be industrious, hard-working, or who invest financial resources in their betterment through education and qualifications, or who profit from successful investments, or who have won the national lottery, are held out as aspirational models for the rest of us. They are seen to be virtuous and deserve their success. This is how we should see ourselves.

What does this have to do with mental health?
The imposition of psychological explanations for an individual's unemployment.

Unemployment originates in 'faulty beliefs' about the reasons the person is unemployed, which...

Result in faulty attitudes and behaviours, especially so-called benefit dependency, in which unemployed people end up on benefits long-term.

This 'theory' gives rise to assessments to identify faulty beliefs and 'therapy' to 'rectify' them.

Psychologists and therapists are recruited into '...monitoring, modifying and punishing people who claim social security benefits... ' [Friedli and Stearn, 42]

All this is consistent with the importance of personal choice and agency in neoliberal ideology.
Psychocompulsion

- Draws heavily on the strengths-based literature of positive psychology, especially notions of confidence, optimism and self-efficacy.
- Positive psychology is a key element in government action to ‘manage’ people with complex problems.
- An attempt to govern disabled subjectivities, so that '... liberal subjects’ capabilities, inclinations and desires are in accord with values and expectations that are identified as already given by a civil society centred on the labour market.' (Friedli & Stearn: 42)
For many the use of psychotherapy and psychology in this way raises moral and ethical questions:

- Is it right that therapists and MH professionals should act in support of a political ideology?
- Is it possible to engage as a MH professional with austerity (and all that follows, unemployment, poverty and inequality) without being political?
Positive psychology and recovery

- Positive psychology rejects the view that complex personal problems such as unemployment and distress originate in experiences of oppression, abuse and trauma.
- It rejects the view that exploring people’s stories in depth can be helpful.
- Positive psychology is trite and shallow.
- ‘...simply one long motivational talk with very little actual real content...[we were told that] if we believed we could get a job then it would happen. It was simply our mindset that was the barrier...’
- Claimants were told repeatedly the reason they were unemployed was because of self-created barriers.

Izzy Koksal, an activist and blogger
The colonisation of recovery

- ‘Recovery’ originated as a radical rejection of biomedical 'disease' models of madness.
- Austerity has debased and transformed ‘recovery’ into a tool of persecution used by the DWP to force people off benefits.
- ‘Resilience’ and ‘recovery’ have been taken over as a system of governmentality in which '...psychiatric survivors [are] responsible for their own adherence to prescribed ways of governing their interior lives, while at the same time leaving medical authority intact, since psychologists and psychiatrists have become experts in recovery and resilience.' (Howell & Voronka, 2012:2)
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Resistance

Recovery
In The Bin!
Resistance

- Many groups resist austerity, e.g. DPAC, Black Triangle, Mental Health Resistance Network, SWAN
- Recovery in the Bin
- https://www.facebook.com/groups/711653172207623/
- Started January 2015, and now has 640 members
Recovery in the Bin

- RitB Bitterly opposes the colonisation of 'recovery’ by professionals, commissioners and politicians.
- Colonisation is evidence that neoliberalism is in crisis.
- Recovery is beyond the ability of those facing intolerable social and economic adversity
- But they face coercion and demands from DWP staff to 'recover'.
RitB uses the term 'UnRecovered' as a form of self-definition to contrast it politically with 'Recovered'.

Psychocompulsion is ‘... used to pacify patients and stifle collective dissent.’

Autonomy can only be achieved through collective action not individualistic striving.

RitB demands a social model of madness in the context of class struggle, arguing both from personal experience and evidence that capitalism and social inequality are bad for mental health.
Conclusions

- Austerity is a political choice, not necessity
- As the inequality gap widens those least able to bear the cost carry the greatest burden
- Mental health professionals play an increasingly important role in managing the long-term unemployed through psychocompulsion
- Coalitions of resistance between disabled people, mental health service survivors and professional groups are emerging
- Despite this there are unresolved problems about the involvement of survivors in such coalitions
Selected References