



# Economic Mythbusters course

**Week 2: (Tuesday 21<sup>st</sup> May)**

***Excessive government spending got us into this mess***

## **Transcript of QPSW Consolidation Session**

*This session was presented by Suzanne Ismail, QPSW Programme Manager – Economic Issues. It followed a presentation from:*

- Charlie Cooper of *The Independent* and Richard Exell of the Trades Union Congress (TUC).

Some Quaker participants missed the start of last week's consolidation session as we were all getting used to the technology. As such I'll start by reiterating a few of the general things that I said last week.

The last 10 minutes of each Mythbusters session will be delivered by a member of Quaker Peace & Social Witness staff. We hope to use these slots to help make the connections between the content of the main lectures and our Concerns as a Quaker community. Usually we will offer some reflections on what the lecturers have been saying, or highlight aspects that particularly link to Quaker concerns or QPSW work.

Last week I also explained that QPSW is working with the New Economics Foundation (nef) on this course as part of our response to recent BYM discernment about economic justice and sustainability. This has recognised that the current economic system is inconsistent with Quaker testimony. The Yearly Meeting has discerned the need for Friends to learn more about the economic system and to work with others to create a better economic system. If you want to know more about this – please look at the Quaker advanced readings that we sent round for week 1.

Another thing I said last week was that often the nef lecturers will quite often be talking about things we – as a Yearly Meeting don't have a corporate view on. QPSW isn't suggesting that the Yearly Meeting should necessarily adopt positions on everything the lecturers say. But we do think that what we learn will help our discernment and help us become more confident when speaking out and taking action

## **Some reflections on today's lecture**

Tonight's talks are a good example of this. QPSW hasn't done any of its own analysis on this specific issue, and we don't have a public position on whether or not the analysis presented today is correct. So today QPSW staff are learning as you are! However, we can share some of our own reflections on what we've heard, which we hope might be useful.

I listened to this week's lecture with the words of Richard Hawkins, who presented last week about language and framing, in mind. If what Charlie and Richard Exell was telling us is true - that the recession was caused by the banking crisis - why is it that so many people believe that excessive government spending caused all of our economic problems?

It would seem that this is a great example of a few of the things Richard Hawkins was telling us: that the more an argument is repeated, the more people believe in it. That people like and respond to simple messages. And how our beliefs influence how we think things ought to be.

## **Community and common life**

One question that came to mind is how is it that public spending - on things like the NHS, social security and education has come to be considered as 'excessive'? And how does that analysis fit with Quaker testimony which emphasises the value of community and of having shared institutions, services and spaces that benefit and bring together the whole of society?

The third reading that we circulated for this session seems to be particularly pertinent in this respect. It says:

*'The prevailing belief is that the individual should keep more and more of what they are given through employment or investment, to spend as much as you wish. This has led to massively increased inequality in British society. It has also meant that there is less available for decent standards in our common life – for instance, in education, housing, health provision and the maintenance of our public spaces.'*

**3a.1. on Equality and Community from *An expression in words of Britain Yearly Meeting's corporate Social Testimony drawn from the experience and understanding at this time*, prepared in draft by the BYM Co-ordinating Group on Rediscovering our Social Testimony (RSOT) at the request of Yearly Meeting Agenda Committee, and approved at Yearly Meeting 1997.**

That was endorsed by Yearly Meeting over 15 years ago, but remains highly pertinent. It suggests that whilst our society remains so highly individualistic, arguments about 'excessive' government spending are always more likely to fall on more fertile ground – whatever the economic situation we find ourselves in and whether or not the government finances are actually under strain.

## **The myth of the 'feckless poor'**

To me 'excessive government spending' argument is connected to, perhaps even relies on, another widely articulated belief - that recipients of government spending (particularly those receiving social security benefits) are somehow a 'problem'.

Again, remembering what Rich said last week about 'false beliefs influencing how people think things *ought* to be'. If the poor are feckless, this makes it OK to lay the cause of the crisis at their door. And by extension, makes it more acceptable to cut the support that the state gives them.

We'll be going into this in week seven of this course, but in the meantime I want to flag up a recent report by the Baptist Union of Great Britain, the Methodist Church, the Church of Scotland and the United Reformed Church called *The lies we tell ourselves: ending comfortable myths about poverty*,

The report, which is available at <http://www.jointpublicissues.org.uk/truthandliesaboutpoverty/> aims to expose some of the untruths we are told about poverty, and one of the things it picks up on what it calls the myth that the poor caused the deficit.

As well presenting an economic analysis that complements a lot of what Charlie and Richard were saying, the report also highlights the common tendency to describe the poor as 'lazy', 'reckless', or 'having an easy life'. These phrases are commonly heard in the media and have successfully denigrated a whole section of our society. Compare that with how we often hear talk of 'rogue bankers' - i.e. it was one or two individuals who were at fault during the banking crisis and subsequent scandals - not the system.

## **A final question**

My final thought is about the conclusion that Charlie and Richard made in the paper upon which their talk was based. This stated that 'More government borrowing and spending now won't make things worse. In fact, the numbers suggest, there's a good chance it's the only thing likely to make things any better.'

Their argument is clearly a numerical, economic one. So, a big question for me - again in light of what Richard Hawkins was saying last week is:

*To what extent is it useful for us as Quakers to know that there is an economic argument for increased government spending? Or, as a faith community, should we be focusing our energy on more values-based arguments and trying to inject a different, values based perspective into what are often very technical discussions about the economic system?*

## Suggestions for consolidation

In wrapping up I have three suggestions for you to help consolidate the content of today's lectures.

- Firstly, as last week, talk to others in your Meeting or with friends or colleagues about what you heard today. What did you think about Richard and Charlie's analysis. If you think they are right, what is the best argument to use against this myth?
- Secondly, you might like to take a look at the report I mentioned, which is very readable - *The lies we tell ourselves: ending comfortable myths about poverty*. This will probably also be useful for future sessions. The report is available at <http://www.jointpublicissues.org.uk/truthandliesaboutpoverty/>
- And finally - remember, for those would like to comment on or discuss the course so far with other QPSW sponsored participants we have set up a special thread to do this on Quakernomics – our online discussion forum which you can find at [www.quaker.org.uk/quakernomics](http://www.quaker.org.uk/quakernomics).

QPSW staff will be looking at the thread regularly, so this is also a good place to let us know what you think about things so far.

## Next week

My colleague Symon Hill will be joining you next week after the session on 'Austerity is the best way to reduce the deficit and get the economy back on track'

In the meantime, if you need to contact me or others QPSW staff working on the Mythbusters course email: [Mythbusters@quaker.org.uk](mailto:Mythbusters@quaker.org.uk).

If you've got specific technical enquiries you need to speak to Huw Jordan at nef – [huw.jordan@neweconomics.org](mailto:huw.jordan@neweconomics.org)

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