



Economic Mythbusters course

Week 3: Tuesday 28th May 2013

Myth: “Austerity is the best way to reduce the deficit and get the economy back on track”

Transcript of QPSW Consolidation Session

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Good evening, Friends and welcome to the Quaker-specific part of the evening. I’m Symon Hill and I’m working with Quaker Peace & Social Witness. I hope you’ve found the talks and the group discussions helpful.

I’m pleased that we’ve had chance to look at austerity today. Quakers in Britain have agreed some policies criticising specific cuts, such as the household benefit cap and the abolition of Disability Living Allowance, as well as the effect that the cuts are having in increasing inequality in the UK. However, we don’t have an agreed position on austerity as a whole.

Nonetheless, austerity is related to issues of vital concern to Quakers. As we have heard, poverty and inequality in the UK – as in many other countries - have increased considerably in the last few years. In the space of only one year, use of food banks in the UK has tripled and rough sleeping in London has risen by forty per cent.

I want to take a moment to reflect on the word “austerity”. In everyday use, “austere” is not about a lack of spending. An austere life may well be a simple life, something which Quakers tend to be quite keen on. Perhaps the problem is that simplicity implies community and a sharing of resources. Austerity in its economic sense means something quite different.

Even in economic terms, “austerity” seems to have changed its meaning over time. The late 1940s, immediately after the second world war, were referred to as a time of austerity. Although I’m no expert on the period, my understanding is that the Attlee government sought to protect the

poorest by maintaining rationing – so that food would go round – and taxed the rich at levels that are pretty unimaginable nowadays. That sounds like a rather different sort of austerity.

In contrast, any discussion of austerity nowadays – whether in the UK or elsewhere – tends to refer to policies designed to reduce public spending through cuts to social security and public services.

So how do we respond as Quakers? In 2011, Meeting for Sufferings – the national committee of British Quakers – minuted their concerns about austerity. They said, “We know the government intends to make cuts, but we object to it being at the expense of those who are unable to work.” The minute criticised specific aspects of social security cuts, but did not at that stage challenge the cuts agenda as a whole. It mentioned two alternatives to cuts: firstly, cutting or ending expenditure on war; secondly, a greater contribution from the wealthy.

Similar points have been made by other groups. Speaking in very broad terms, I’ve noticed three general approaches to challenging austerity.

Firstly, there are those who say that austerity will not cut the deficit and that we need to spend more in order to increase growth and revive the economy. This “spend for growth” approach has been taken by some within the Labour Party and others on the centre-left elsewhere in Europe. We will see more of this approach in next week’s session.

Secondly, some point out alternative ways of cutting the deficit. The most prominent example is the call to crack down on corporate tax avoidance. UK Uncut brought this issue to the fore through nonviolent direct action and it is now a mainstream political debate. There are also calls to cut military spending rather than public services or the welfare state. This point has been made by British Quakers in public statements, but it has received far less attention than the tax-dodging issue.

Thirdly, there are those who reject the language of cutting the deficit altogether, and insist on the importance of talking about an alternative economic system rather than the detail of policy. British Quakers, at their Yearly Meeting in 2012, minuted their conviction that a different economic system is necessary. However, there are those who go so far as to argue that offering alternative ways of cutting the deficit implies an acceptance of the current economic system.

I have to admit that I have some sympathy with all three approaches, as well as some problems with them all. An intriguing question is: is there a distinctively Quaker approach to challenging austerity? Which of these three approaches, if any, should Friends be taking, individually or collectively? How do we challenge austerity in a way that is most in accordance with Quaker theology and testimonies?

We would like to know what you think! If you can, please take a moment to visit Quakernomics. It’s at <http://www.quaker.org.uk/quakernomics>. You can share your thoughts, views or questions on the site.

Some of you already subscribe to *Earth and Economy*, our newsletter about issues of faith, money and sustainability. The latest issue is out and the lead story is about austerity. It’s free to subscribe! The articles are now on Quakernomics, but let us know if you want a paper copy. We’ll be happy to send you one.

I would be fascinated to know how your mythbusting is going. I also wonder if doing this course means you’re more likely to spot the myths when they appear in the media. Or are you very used

to them anyway? From today, we'll be starting a "spot the myth" thread on Quakernomics, where you can add examples of myths that you've seen. You're also welcome to explain how you would challenge them.

I'm off now. When I go, you just need to click on the cross in the top right-hand corner of your screen to close the programme.

Happy mythbusting. Goodnight.

28th May 2013