

Neoliberalism and Austerity: False Narratives and Consequences

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ABSTRACT *This article offers some reflections on this special issue of Politics and Psychotherapy International. The author identifies in the various articles, a number of repeated themes: the violence inherent in neoliberalism stemming from its very first application in Chile; the ongoing and far-reaching effects of colonialism, particularly in its manifestations through globalisation; the negation of the rights of the poor, including the right to accurate information; and increasing pressures on workers to do more for less, and very often more of what is least important. Copyright © 2016 John Wiley & Sons, Ltd.*

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SEEING WHAT WE ARE NOT SUPPOSED TO SEE

Taking the role of co-editor of this special issue of *Politics and Psychotherapy International*, gave me the opportunity to piece together the experience and thinking of six authors – Dick Blackwell, Penny Campling, Farideh Dizadji, David Ferraro, Spyridon Loutsos, and Angie Voela – and to arrive at an important narrative of the whole neoliberal enterprise and its dire consequences. What I discovered felt shocking. Not only are the rights of the poor being steadily negated, so their access to information is being negated by a propaganda machine that also seeks to negate their experience. Although my travels around the world have forced me to witness the influence of the long arm of austerity as it has gradually extended itself into every organisation with which I have had contact, I had not engaged with the epistemological logic, or illogic, of neoliberalism and its consequences.

In reading the articles in this issue, I have been introduced to the powerful concept of the “subaltern” as used in critical theory and postcolonial studies. It names the usually unnamed populations that are socially, politically, and geographically outside the hegemonic power structure of both colony and colonial homeland. Originally a British military term used for officers below the rank of captain, it literally means “subordinate”. In her seminal paper “Can the subaltern speak?” Spivak (1988) described the way European thought has not only persistently constituted the non-European as the Other but also the great care with which the experience of the Other has been obliterated. As she wrote:

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The clearest available example of such epistemic violence is the remotely orchestrated, far-flung, and heterogeneous project to constitute the colonial subject as Other. The project is also the asymmetrical obliteration of the trace of that Other in its precarious Subjectivity.” (p. 76)

This construction, when applied not only to the colonialism of the past but also to its ongoing manifestations through globalisation, gives me a new way of thinking about and describing what I am increasingly having to observe painfully. People working with vulnerable populations are being asked to give more and more for less and less. Their clients, in turn, report feeling ever more short-changed. This has become an increasing and depressing norm, not only in the health services and medicine but also in social housing. It feels as if something profoundly unjust is occurring and yet the possibility of establishing some solidarity with colleagues is denied by never appearing on any agenda. The pressures to work like this are always explained in the name of efficiency and value for money while those struggling to provide the so-called “excellent customer service” feel increasingly devalued, overworked, misused, and misunderstood: alienated from themselves and their own skills. Instead of fulfilling their vocation, and working to improve lives, they find themselves focusing on endless form-filling that never seems to measure what is really important. A kind of parallel universe is created that does not match the reality of what they do and what their clients are receiving. Everything is packaged for consumption. These days clients, patients, and even housing tenants are being called “customers”! Who benefits from this punishing regime? Not the worker or the client, that’s for sure. In the same way as the colonial Subject’s experience was negated, so now is the worker’s and their client’s in our “cheque-book” democracies: you only have a say according to what you can pay.

So let’s think about what these words “neoliberalism” and “austerity” mean. The well-established “right wing” view is that austerity means cutting public spending, and that usually means welfare benefits; presented as the only way to reduce the “deficit”, real or imagined. An alternative “left wing” view was presented by Yanis Varoufakis, economics professor and past Greek Minister of Finance (2015a):

In Britain today, when you have the lowest percentage of public spending as a proportion of national income for the last 70 years, to be talking about reducing the state further when effectively you are reducing taxes like inheritance tax and at the same time you are cutting benefits, austerity is being used as a narrative to conduct a class war. (Retrieved from Internet)

According to Varoufakis, it is not a question of whether or not you have austerity, it is a matter of how you apply austerity, who actually pays: “What do you do within a healthy budget? You can cut it by reducing the privileges of the rich, by increasing inheritance tax for example, or by cutting tax credits for the poor.” (Varoufakis, 2015a) It is a question of maintaining the Other, the disadvantaged, in a subaltern position while at the same time denying that is what is happening. In the consulting room we may call this a schizophrenogenic communication, in other words, crazy-making.

NEOLIBERALISM AND AUSTERITY

What do the authors represented in this journal say about neoliberalism and austerity?

In their article on recognising developing patterns of victimisation in the globalisation project, Dick Blackwell and Farideh Dizadji, let us into the story of the violent origins of neoliberalism.

They refer to Naomi Klein's (2007) work on the rise of disaster capitalism, and her description of the neoliberal paradigm developed at the University of Chicago in the 1950s and '60s under Milton Friedman, whereby *everything* must be left to market forces. To test its hypothesis the Chicago School needed a government willing to put such an extreme programme into practice and a population that would accept it. They found it in Chile where, after the coup d'état in 1973, which had overthrown the elected government of the socialist Salvador Allende, General Pinochet was without an economic policy and lacking the economic expertise to develop one. For the neoliberal paradigm and the US government, Pinochet was ideal for, as Blackwell and Dizadji comment, he was "violently committed to anti-communism and anti-socialism and more than ready to deploy violence and terrorism to remove any obstacles to the development of an anti-socialist economy." (p. 8)

In his article on "Psychology in an Age of Austerity", David Ferraro takes his definition of neoliberalism from David Harvey, a Distinguished Professor of Anthropology at the City University of New York, who suggested that neoliberalism was the doctrine that makes market exchange an ethic in itself, capable of acting as a guide for all human action. Its spread has depended upon a reconstitution of state powers such that privatisation, finance, and market processes are given preference while state intervention is minimised and the obligations of the state to provide for the welfare of its citizens diminished. He describes how the neoliberal agenda has been applied to psychotherapy, particularly cognitive behavioural therapy with its well-advertised evidence-based treatment that implies treatment success but actually limits treatment to coercing patients into strictly circumscribed social norms where any deviation tends to be conflated with pathology. Most importantly the relationship with the client becomes nothing more than that of vendor/customer.

In her article, "Reflexivity, Austerity and the Value of the Useless", Angie Voela refers to Wendy Brown, the American political philosopher who suggests that neoliberalism, is the ideological arm of the free-market economy (Brown, 2006). For it to work, individuals need to be viewed as free and competent agents able to manage their own lives. Failure to be entrepreneurial, aspiring, achieving, and ultimately self-supportive, is then seen as a lack of willpower or moral fibre. Embodied in this logic, is the threat of punishment for those failing to 'make it' that engenders an endless pursuit of something better with just sufficient pay-off to enable the never-ending treadmill to continue. This, she suggests applies equally to those in poverty as to those working to relieve it. As she says:

We could consider the management of poverty as an endless activity where a modicum of enjoyment supports the charitable commitment to plodding on, being a volunteer, rather than a recipient of help: while I am here (manager), I am not there (client); I cannot see the big picture (too complex) but I still attain the little bit of 'reward' for having accomplished something that will be lost in an ocean of needs and a client's return to the care of the state. (p. 30)

Voela also refers to Maurizio Lazzarato, a sociologist and philosopher, who gives us a clue that debt is not primarily a question of budget and economic concerns but a political relationship between subjection and enslavement (Lazzarato, 2011). His view is that perhaps we should be getting used to always being in debt, enmeshed in a web of unserviceable financial obligations, which now infect human subjectivity. For Voela, austerity inevitably brings one face to face with the reality of social justice, the community, and the everyday discourses of living in poverty or helping others to survive. I agree with her.

In his article on “Maintaining Group Analytic Training during the Financial Crisis in Greece”, Spyridon Loutsos begins with an overview of what it has meant to live with austerity resulting from the exacting Neoliberal agenda that has been applied in Greece during the last 10 years or so. Since the world economic downturn in 2008, Greece is a story of being taken over by forces from outside the country in the form of the European Union, the World Bank, and the International Monetary Fund, each of whom regularly visit to ensure that their policies are being implemented. Not only were public sector salaries and state pensions reduced, but work conditions were changed in both the public and private sectors. Organisations and companies in the public sector were closed or merged and direct and indirect taxation increased. All of these measures resulted in a dramatic reduction in the buying power of the consumer, and they all related to finance. Despite the psychological effects of these measures which resulted in a greater incidence of depression and suicidality, no provision was made to meet these increased needs. At the same time the extreme Right increased in popularity, its behaviour, reminiscent of that of the Nazis in the Third Reich, providing an ominous echo of a future past.

Finally, in her article, on “The Opportunities and Pitfalls of Reflective Practice in an Age of Austerity”, and taking the current situation as a given, Penny Campling describes how, not surprisingly, organisations reflect society when they “‘turn a blind eye’, to know and not know at the same time” (p. 50). She suggests that such blindness is at least unconsciously wilful, as “is horribly evident in the stories of neglect and abuse from the Francis Reports that documented the cruel and neglectful behaviour at the Mid Stafford Trust in England between 2005 and 2009 (Francis, 2010)” (p. 50). She reports that after visiting Berlin she started thinking about “the impossibility of having a perspective on the living history that we’re immersed in” (p. 56).

BEING UNWITTINGLY CAUGHT UP IN THE THINKING

What is interesting is the way all these writers start to question the epistemology of their own thinking and that of austerity by drawing attention to their own propensity for getting caught up in an austerity frame of mind despite conscious intentions otherwise. To give you a flavour of how pervasive this tendency can be, I quote Varoufakis again:

My personal nadir came at an airport. Some moneyed outfit had invited me to give a keynote speech on the European crisis and had forked out the ludicrous sum necessary to buy me a first-class ticket. On my way home, tired and with several flights under my belt, I was making my way past the long queue of economy passengers to get to my gate. Suddenly I noticed, with horror, how easy it was for my mind to be infected with the sense that I was entitled to bypass the *hoi polloi*. I realised how readily I could forget that which my left wing mind had always known: that nothing succeeds in reproducing itself better than a false sense of entitlement. Forging alliances with reactionary forces, as I think we should do to stabilise Europe today, brings us up against the risk of becoming co-opted, of shedding our radicalism through the warm glow of having “arrived” in the corridors of power. (Varoufakis, 2015b)

Blackwell and Dizadji draw attention to how easy it is to be politically brainwashed. They start their paper with a description of a sculpture of a human head more than three times the normal size, with no top and holes for eyes, nostrils and mouth. It was empty inside like a large bucket: “So you could fill it up with whatever you choose. It was mounted on a wheelbarrow frame, so that it could be wheeled around and pointed in whatever direction was desired” (p. 6). Later, Blackwell describes being challenged by two colleagues, one from Turkey and the other from Iran, for making

unconscious racist assumptions in his book *Counselling and Psychotherapy with Refugees* (Blackwell, 2005). He had written about the importance of therapists recognising their own political and cultural identity yet failed to recognise how diverse those therapists' identities could be. He wonders whether white Western colleagues would have noticed his racist assumptions.

David Ferraro questions the assumption that austerity is something external. He points out that our profession is so caught up in this way of thinking that neoliberalism is already internal to contemporary practices in what he calls "the psy-disciplines". We unwittingly do austerity with "service users". This, he points out, is irrespective of the specific policies of the government of the land and indicates how embedded this way of thinking has become.

Like the moral treatments of old, to assist those in weakness is to aid and abet weakness. This is a recurring theme of neoliberal psychology: be on your guard against excess help, excess solidarity, excess thought. In perusing this unpleasant, "evidence-based" material we should recall that we are not reading the recommendations of bankers, or the Koch brothers or the Tory party, but of clinicians who imagine themselves to be altruistic or scientific when peddling a doctrine that is in "its imperialist phase: conformist in its aims, barbarous in its doctrine" (Lacan, 1990, p. 103). Like all in its clutches, ideology is invisible, and never more so than in the case of psychotherapy in the age of austerity. (p. 23)

Voela takes on Ferraro's contention that we may not be aware of our own unconscious bias framed by our own experience and inability to be in the shoes of the other. As she says, these are:

Moments that catch one unaware and offer insights into one's relationship to the "work", the "other", the "object" and the "subject". These moments, delightful or anxiety-provoking as they might be, are also potentially radical, inviting us to think – reflexively in fact – how the world thinks us, rather than how we think the world. (p. 25)

Voela writes about food banks in East London, one of the most deprived areas of the capital. Like a growing number of charities, they rely on volunteers. She found that food bank managers were eager to stress the importance of helping the *deserving poor*, rebutting the criticism that they feed scroungers, but were understandably unwilling to discuss why some poor were more deserving than others.

Loutsos describes the trainers' dilemmas at a Greek training institution for group analysis when faced with sudden departures of trainees and group members. The trainers found it hard to determine what could be attributed to resistance to therapy and what to hard financial realities. Trainers and students had to profoundly rethink their paradigms.

Campling tells us of her experience with doctors who, despite agreeing to engage in reflective sessions, initially display an extraordinary level of antagonism that always surprises her. As she writes:

confirming all my old prejudices about this sub-group of doctors, and then it suddenly clicked; for this group of rather black-and-white thinking clinicians with their photographic memories and fondness for lists, (I own up to the prejudice!) reflective practice was like making your confession. They felt they were being asked to list their sins and show appropriate remorse." (p. 49)

HUMANITY AS A USELESS REMAINDER

What emerges in all the papers is the way humanity gets left out in the neoliberal agenda, which is not surprising given its violent origins and its connection to colonialism and post colonialism. People as humans do not appear to be part of the equation.

Voela refers to French philosopher Jean Baudrillard to introduce us to an interesting concept, the “value of the useless”. Baudrillard (2001) suggested that the fundamental problem with capitalism was its restrictive logic. As it is a system structured solely around exchange and value everything must have value in order to have meaning, but when value and exchange falter its fundamental weakness is exposed. Voela draws attention to an important point based on Baudrillard’s philosophy: if value always has to be exchanged, an “impossible exchange” can result which, if taken seriously, can lead to the possibility of thinking differently. She illustrates this idea with an example of food bank clients being invited to a Christmas party at the local community centre. Unsure whether invitations sent by post would reach them as most of them were in temporary accommodation or occasionally homeless, they were delivered in person. Eighty people were budgeted for but 138 came, some in wheelchairs; they were so excited, saying that this was the first time they had received an invitation. As she explains:

This, in my view, is a beautiful and senseless act that evades the circuit of “dependency”. It resists the bio-political discourse of supporting and feeding the poor or giving them incentives to get out of their poverty (e.g., this is what we do for you; what are you going to do for yourself?). It defies indebtedness, bio-political management, and manipulation. It is a “useless” and quintessentially communal act, full of dignity but with no exchange value. The truth and power of the act lies in what is exchanged there and then, a gift in the circuit of commercial exchange, a use-less (non-productive) pleasure exhausted between givers and takers. (p. 33)

This was, as Voela observes, an act of humanity. “At what point did ‘humanity’ recede as a master signifier and become a remainder” (p. 33) that results from what Baudrillard (2004) suggested is the impossible exchange that illuminates the inhuman nature of consumerism-capitalism. The spectre of dehumanisation seeps through every paper. Both Loutsos and Campling describe how they resist the forces of dehumanisation, and being and/or becoming a representative of a “useless truth”, despite the pressures to pretend that the reality of this experience does not exist.

Loutsos describes how it was possible to retrieve a group analytic training that was slowly disappearing due to a lack of students able to pay. Staff and trainees met as a large group “training community” and found creative solutions to their dwindling applications and numbers. This is a brave attempt for staff and students alike to meet in a shared space for reflection as human beings with a common problem, i.e., how can we maintain this course in the face of diminishing finances?

Campling suggests that much can be learnt from the therapeutic community movement. This approach patently changes people’s lives for the better and yet many such communities have been closed down. The most recent and shocking example of an effective service being closed down is what happened to Kid’s Company as described by Blackwell and Dizadji. The public story told in the media is not only false but publicly humiliates and ridicules the charismatic director. The community it served was mainly poor, black, and excluded from the mainstream. It is a painful reminder of what happens when the essential need for good-enough and secure-enough relationships becomes a “useless remainder” irrelevant to decision-making.

I have personal experience of one of the few remaining local authority architecture departments in the UK being forced to close despite it being extremely successful both in “economic” and “service” measures. The closure seemed to be solely a result of the conservative agenda that “private” is better than “public”. This is yet another example of short-termism that Campling so eloquently describes. She draws on the work of Isabel Menzies Lyth (1959/1988) to illustrate the tendency to want to manage inevitable anxiety out of the work to the detriment of, not only

the worker, but the client and organisation as well. Instead of striving to understand what the anxiety might be telling us as human beings, there is instead a need to pretend it does not exist and/or to support people beaten down by a toxic system. As Campling says:

As psychotherapists, we have things to say about toxic systems, about primitive anxieties and the perverse effects they can have on individuals and organisations, about the importance as a society of facing our worst fears about decay, pain, and madness, and, perhaps most importantly, our fears about death and dying. (p. 59)

AN HYPOTHESIS

From a group analytic perspective, I can hypothesise about what this rollercoaster of dehumanisation and the obsession with saving money might mean. Two ideas come to mind, though they are perhaps two sides of the same coin.

The first is that the world seems to be getting smaller and less safe. A nuclear bomb is not over there somewhere; its fallout will land on us all. It is difficult to comprehend that we are all living on this earth and we cannot get off it. There is nowhere else to go. Climate change is more and more difficult to deny as we suffer more and more disastrous rains and floods and winds.

The second is that in Europe at least we are facing being seen as a safe place for an exodus of desperate people fleeing Asia and North Africa. This experience is changing our expectations by the day. In a recent Listening Post of the Organisation for Promoting Understanding of Society, held in London, UK, we came to the conclusion that, after generations of colonisers raping and pillaging somewhere far away, out of sight and mind, “the chickens are finally coming home to roost”. On a recent edition of *Question Time*, BBC television current affairs programme, Varoufakis (2015a) answered a question from a member of the audience, which had suggested that the UK cannot afford to take in migrants, by saying:

Let me begin by saying the answer to the question is exactly the opposite! Firstly, we are all economic migrants. The notion that at the time when there are tens of thousands of desperate refugees being washed up on the shores of Greece and Italy, when there are 3.1 million refugees from that particular conflict, in Jordan, in Turkey, in Lebanon, and that these poor countries have opened their doors to these refugees and they have welcomed them, they have sheltered them and they feed them, they make sure that they have water to drink, to have this discussion in Cambridge today on whether there will be 10 or 20 thousand people who are let in, to have this moral panic because there are these few wretched souls on the other side of the channel in Calais, this is not putting in good stead this country and it could do a lot better.... Borders are an absurdity when looked at from space but we should have a robust debate about how to deal with this humanitarian crisis.

Yet climate change and unprecedented world migration are not really being attended to in mainstream politics except by metaphorically pulling up the shutters and pretending that neither is happening and so nothing needs to be done. Their ever-insisting presence is quietly extinguished from mainstream debate and left to the “crazies”. All this makes me wonder whether austerity is a social displacement activity in the face of the unbearable thought that we are slowly destroying ourselves. The symbolism is one of diminishing resources and fear of annihilation. Having enough money will not protect us from that. Is it that it is increasingly becoming evident that we have to share what we have? No longer can we maintain a world in which the “haves” have so much more than the “have nots”, and the latter now know this and are doing something about it.

In his book *Social Justice and the City*, David Harvey (1993) discussed the nature of space in the context of urbanisation and social justice. He proposed the idea that space is not a thing in itself but can be understood as a relationship between objects, and that it only exists because the objects exist. He suggested that as space is not something a priori, it is not a question of what is space but rather how do different human practices create and make use of distinctive conceptualisations of space. The property relationship, for example, creates absolute spaces within which monopoly control can operate. In a later book, *A Brief History of Neoliberalism* (2007), Harvey suggested that neoliberalism has resulted in the (re)creation of class distinction through an “accumulation by dispossession”. The first arena in which this happens is through the dispossession of land, which is the aim of all colonising practices. It should also not be forgotten that the Enclosure Act in Britain during the 18th century forced peasants off the land and into the factories to enable the process of industrialisation.

In concluding, I quote from Varoufakis again:

In 2008, capitalism had its second global spasm. The financial crisis set off a chain reaction that pushed Europe into a downward spiral that continues to this day. Europe’s present situation is not merely a threat for workers, for the dispossessed, for the bankers, for social classes or, indeed, nations. No, Europe’s current posture poses a threat to civilisation as we know it. If my prognosis is correct, and we are not facing just another cyclical slump soon to be overcome, the question that arises for radicals is this: should we welcome this crisis of European capitalism as an opportunity to replace it with a better system? Or should we be so worried about it as to embark upon a campaign for stabilising European capitalism? To me, the answer is clear; Europe’s crisis is far less likely to give birth to a better alternative to capitalism than it is to unleash dangerously regressive forces that have the capacity to cause a humanitarian bloodbath, while extinguishing the hope for any progressive moves for generations to come. (Varoufakis, 2015b)

As the daughter of a refugee from Nazi Germany, his prognosis fills me with dread and foreboding.

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Teresa von Sommaruga Howard has many cultural influences in her personal and professional background. Born in England of a German Jewish refugee father and British mother, she immigrated to New Zealand as a child. She is a registered architect, trained as a systemic family therapist and has developed expertise conducting group analytic median and large groups. Teresa has applied these three disciplines: architecture, systemic practice, and group analysis in larger settings in various contexts around the world. Increasingly Teresa has focused on the way unrecognised trauma resulting from socio-political upheaval that is transmitted through generations and influences descendants' lives, reveals itself in the large group. She has been involved in mediating between communities such as groups of Israelis and Palestinians in the Middle East. She has written extensively about her work with large groups and co-authored *Design through Dialogue: A Guide for Clients and Architects* (Wiley, 2010), which integrates her experience working with both the external physical and internal emotional environments. She is an honorary member of the Institute of Group Analysis and currently an Executive Member and Treasurer of the International Association for Group Psychotherapy and Group Processes and co-editor of the journal *Forum*, which she also helped to design and develop.