Growing evidence suggests that experiences of financial strain and over-indebtedness can contribute to problems of physical and mental health. This article contends that there is a need to carefully examine recent neoliberally informed symbolic and material transformations in the practices and experiences of employment, welfare, and subjectivity in order to provide an appropriately sophisticated analysis of experiences of debt and mental health. An illusion of economic growth has been based on increasing levels of often traumatic personal debt and a low-wage labor force compelled into increasingly problematic practices of employment. In recent years, a concerted neoliberal assault on subjectivity, modes of employment, minimum incomes, and practices of welfare governance has effectively constituted new forms of poverty and personal sustenance through deregulated sub-prime credit markets. The variable and multifunctional nature of personal debt has provided a substrate for neoliberal public policy by systematically reinforcing the development of a low-wage labor market and by representing a means through which to transfer collective risk into private responsibility. This article suggests that traditional ways of knowing and acting upon the mental and physical health difficulties associated with problems of debt and material deprivation fail to adequately acknowledge the political and economic role of personal debt growth.

The current economic recession in the United Kingdom has led to an increased number of people struggling to afford essential day-to-day expenses, and this is considered to be having a direct impact on mental well-being (1). Growing evidence suggests that experiences of financial strain and over-indebtedness can contribute to problems of physical and mental health. A consensus appears to have
formed suggesting that the scale of personal debt and financial strain is approximately proportional to this distress (2–5). One in four clients of a national advice service sought general practitioner treatment for stress, anxiety, or depression (6), and the anxiety associated with material deprivation and debt is thought to affect children as well as their parents (7). An analysis of the British Household Panel Survey showed that those household heads who have outstanding (non-mortgage) credit, and who have higher amounts of such debt, are significantly likely to report poorer psychological well-being (8), and individuals in debt yield higher suicidal intention scores than those who are not in debt (9). Personal debt is also considered to have significant physical health effects, with self-reported adverse health consequences in 88 percent of people seeking help for debt. Gastrointestinal disorders, increased blood pressure, cardiovascular disorders, respiratory disorders, and reduced immunity are all considered to result from unmanageable debt (10).

To adequately interrogate this issue of debt and well-being requires a focus that moves beyond the traditional strategies aimed at ameliorating psychological suffering. This article contends that there is a need to carefully examine recent neoliberally informed symbolic and material transformations in experiences of employment, welfare, and subjectivity in order to provide an appropriately sophisticated analysis of experiences of debt and suffering. This involves understanding well-being within specific regimes of authority (11).

While the growing problem of personal debt in the United Kingdom has not developed unnoticed in recent years, its importance has been sidelined by recent anxious fascinations with the seemingly perilous state of the related problem of the national debt. It is the contention of this article that experiences of personal debt in the United Kingdom are intimately associated with neoliberal rationality and techniques of government. Changes in the international mobility of capital have been complemented by the diminution of collective bargaining, the growth of a deregulated and increasingly insecure domestic employment market, and an associated expansion in the United Kingdom’s low-wage service economy. This article speaks of personal debt as the result of a consistent and coherent combined assault on the collective management of risk, of the creation of specific subjectivities of debt and employment, and of the formation and facilitation of a domestic employment market where earnings seem to increasingly fail to match essential forms of expenditure such as housing, fuel, and food. For a growing number of people, personal debt supplements their existence in a relatively low-wage, insecure employment landscape. This has allowed the development of a widely misinterpreted period of economic growth. Moreover, it has irrevocably buttressed the systematic development of an increasingly low-wage labor market and has facilitated a primitive transfer of collective risk to private responsibility. Through exploring changes in the way that employment and welfare have been organized, legislated, constructed, and negotiated over recent years, this article addresses the growing problem of personal debt in the United Kingdom.
TRAJECTORIES OF NEOLIBERAL EMPLOYMENT

In this article I posit neoliberal rationality as consisting of a number of ideologically coherent but intrinsically inconsistent set of precepts of government, founded on very specific configurations of the state, private enterprise, and individuals. Central to these configurations is the primacy of free-market-driven social organization (12). Harvey (13) contends that neoliberal theory and practice are hamstrung by numerous internal contradictions. These have arisen by virtue of neoliberalism representing little more than an internationally variable venture through which to achieve the restoration of elite power following a series of economic crises in the 1970s. Miller and Rose characterize the transition in authority from nation-bound political actors to transnational actors as resulting in a “complex web of relays through which [the] economic endeavors of politicians and corporations have been translated into the personal capacities and aspirations of subjects” (11, p. 48). Through this conceptual prism, the polity of states such as the United Kingdom is no longer considered to give rise to government but rather to represent a particular configuration through which broader systems of authority act.

Since the 1980s, employment markets in the United Kingdom have shown a growth in low-wage jobs (14). The Thatcherite achievement of transforming the United Kingdom into a country of relatively low wages, and with a pliant labor force, occurred through technologies of government that included a systematic reduction in union power and an opening up of the United Kingdom to foreign competition and investment (13). The decline of the manufacturing sector and growth of the service sector was potentially problematic insofar as the average wage in retailing was less than half of the average wage in manufacturing (14). Moreover, the growth in certain forms of employment contributed to the growth in low-pay work. Between 1981 and 1985, the number of temporary workers increased from 621,000 to 1,314,000, and this expansion of poorly paid and insecure labor gave rise to intermittent employment (15). The trend continued and has become a long decline in real wage levels (13). Indeed, this growth in low wages has contributed to a clear increase in inequality in the United Kingdom. The trend toward greater social inequality means that, by 2002, the wealthiest 1 percent of the United Kingdom owned 23 percent of the country’s wealth (it was 18% in 1986) (16–18).

Through the 1990s and under New Labour’s tenure, the inclination toward the contraction of the industrial sector continued, and the flexibility of the British labor market became central to economic growth. Indeed, the United Kingdom has been one of the foremost Western proponents of the global corporate welfare that is characterized by nation states competing to provide the most conducive financial, regulatory, and labor market conditions (19). However, this has led to significant concern regarding the quality and remuneration of the jobs that have been made available by this mode of economic management (20). Gorz (21)
suggested in 1997 that 95 percent of new jobs in the United Kingdom were either part-time or fixed-contract, and Cully and colleagues (22) noted in 2000 that approximately three in five workplaces used one or other form of nonstandard labor. The temporary employment sector trebled between 1992 and 1998, and temporary agency workers are now found in 28 percent of workplaces with 25 or more employees (23). These workers are currently paid, on average, 11 percent less and 6 percent less hourly, for men and women respectively.

In 2000, an analysis of the U.K. Labour Force Survey showed that one-third of all heads of household occupied a position in the labor market described as either part-time, self-employed, temporary, trainee, or unemployed (24). Recent figures support this development (25) and suggest that a large proportion of those who register as self-employed may in fact work in “disguised employment.” This is typified by a lack of legal protection or employer national insurance contributions (23). Indeed, the 28 percent of U.K. adults who currently work part-time (25) are, on average, paid substantially lower wages than their full-time counterparts. Part-time women are paid 38 percent less per hour, and part-time men 26 percent less per hour (23).

Recent systems of employment have restored practices characterized by deeply problematic forms of domination and exploitation (21, 26). Indeed, the United Kingdom is representative of a number of Western countries that are experiencing a gradual degradation of employment conditions, a drop in real wages, and the shrinking of collective protections (27). U.K. employers appear to be increasingly using forms of numerical, functional, and pay flexibility to develop a maximally productive labor force at the lowest labor costs (26, 28, 29). As well as the increased use of fixed-term, temporary, zero hours, and part-time employment, this has meant increased staff hours, increased intensity and duration of work, and wider working responsibilities (30–32). Recent studies have reported pervasive cultural expectations of unpaid overtime (26, 28), and the United Kingdom stands out among its European counterparts in this regard.

One of the core precipitating features in the development of the low-wage, high-intensity work economy has been the emasculation of U.K. trade unions and the resulting deunionization of the U.K. workforce (14, 21, 33). Since the 1980s, the reduction in union power has meant that the consequences of wage restructuring, work reorganization, and work intensification are less likely to be contested (34). Lazzarato (35) suggests that this has led to a growing number of people obliged to be ready for any kind of often precarious work under conditions of poor pay and high intensity.

So the recent practices of neoliberal rationality seem to have increasingly rendered U.K. employees subject to insecurity, lower wages, and legally and rhetorically weakened cultures of collective resistance. These changes have occurred synchronously with other recent globalized manifestations of neoliberal practice. Turner (36) and Bauman (37) suggest that U.K. wage and work standards have been further threatened by the substantial movement of sites of production
from the United Kingdom to places of cheaper manufacturing cost in the Far East. Such movement has produced persistent low inflation and a further downward pressure on domestic wages. The lowering of inflation through capital flight has facilitated low short-term interest rates and an accumulation of foreign exchange earnings. This, in combination with recent financial deregulation and the development of markets for asset-backed securities, provided the financial and political foundation for a housing and associated credit boom (6, 38, 39), which has inevitably driven up housing prices and rents, resulting in the need to take on mortgages of increasing salary multiples. This particular set of circumstances has been bolstered by the systematic propagation of home ownership. The chimera of the investment home has been supplemented by public configurations of self-reliant home owners as better citizens, better parents, and better caretakers (40).

The questionable economic growth founded on the housing and credit boom (41) is based on a politically sanctioned growth in personal debt, enacted to avoid a deflationary recession. As in the United States (38), the U.K. New Labour government has in effect enticed families into further debt. Having initially tried to manage stagnating wages and problematic employment, an increasing number of households eventually resort to borrowing money.

LOW-WAGE WORK AND PERSONAL DEBT: A MARRIAGE OF CONVENIENCE

An abundance of recent data supports this increase in U.K. personal debt. There was a steady increase in total credit card debt and consumer lending from 1993 to 2009 (42). Mortgage arrears have risen since 2004 (43), with a particularly sharp increase of 70 percent of households in arrears of three months or more from 2007 to 2009 (44). Any attempt to understand personal debt growth in the United Kingdom requires a careful appreciation of the increasing disjuncture between the stability of employment and the stability necessary for the servicing of mortgage and rent payments (45). Indeed, the growing disparity between house prices and average earnings is seen as an increase of this ratio from 3.14 in 1998 to 5.86 in 2007 (46).

It is perhaps unsurprising that experiences of personal debt and over-indebtedness are particularly prominent among those on low incomes, with 64 percent of people on incomes of less than £9,500 experiencing over-indebtedness (47). A widely used subjective definition describes people as “over-indebted” if their household borrowing repayments are a “heavy burden” (48). It is clear that experiences of over-indebtedness specifically and incontrovertibly relate to experiences of unemployment, short-term and insecure employment, poor-quality and poorly paid employment, and, for many, an insufficient living income (15, 44, 48, 49). Recent work from the Joseph Rowntree Foundation (50) shows that a full-time earner on the minimum wage (£5.73 per hour) cannot achieve a minimum income standard, since the cost of living for those earning around the minimum
wage is increasing faster than that for those on average incomes. Indeed, high-inflation categories such as food, domestic fuel, and public transport are greatly overrepresented in the budget of people on lower incomes. For instance, the price of food rose 9 percent in the year ending April 2009, and this makes up 20 percent of a single person’s minimum budget but only 12 percent of the retail price index. As such, inflation for those on lower incomes is, in real terms, greater than national and combined measures of inflation such as the retail price index.

I contend here that the frequently immiserating growth in personal debt and over-indebtedness has been made fundamentally necessary by the growth of low-wage and problematic employment, the decreased demand for labor, and a mode of economic administration in which growth is built on ultimately unstable asset bubbles. However, this position should not be considered one of simple cause and effect. Rather, it is more useful to consider a circular relationship between levels of personal debt and neoliberal technologies of government and practices of organizing employment. Cheap and easily obtainable credit has been made available to supplement low and intermittent income. Citizens with growing personal debt and minimal means of collective industrial resistance are then compelled to adapt to these increasingly problematic labor markets that manufacture the need for credit in the first instance. For many, modern work becomes the only avenue through which to address this gradual accretion of personal debt. The growth in personal debt through poorly regulated and easily accessible (and often aggressively promulgated) credit markets acts to irrevocably bind U.K. employees to changing practices of labor relations. As a naturalized companion of living in a neoliberal market state subject to transnational, non-democratic modes of authority, the U.K. debt industry has a function of bonding people to problematic wage labor.

In an analysis of the ways in which problematic low-wage labor has been imposed in the United States, Wacquant (27) implicates the role of the police, judicial, and correctional net of the state. These are the principal means through which citizens have been disciplined to the growth in what he calls “desocialized labor.” This has been complemented by the significant reductions in collective protection following the 1996 Personal Responsibility and Work Opportunity Reconciliation Act welfare legislation. Analogously, in the United Kingdom, a politically sanctioned, largely unregulated, and immiserating debt industry has grown to reinforce problematic wage labor and provide sustenance to an economic mirage of consumer-led growth. Just as it was vital for 19th century industrialists to overcome potential factory hands’ reluctance to subscribe to regimes of rule that they neither desired nor understood (51), modern practices of work have required the means through which to ensure a pliant and engaged workforce. The credit crunch has exposed the folly of economies based on unsustainable living incomes and unregulated lending, but it remains to be seen whether and to what extent the denizens of neoliberal authority are yet able to repair this model of social economics.
The U.K. neoliberal project has involved the production and circulation of certain discourses and social practices that enable forms of corporate and political authority to inscribe “contextual ‘rules of the game’ that both enable and constrain action” (52). The marriage of convenience between a growing debt industry and growing low-wage, insecure, and problematic employment markets has been supported by a number of rhetorically configured myths regarding citizenship and responsibility. These include the reproduction of certain ways of knowing about, and hence conducting ourselves with regard to, debt, work, and home ownership. Rather than a focus on problematic modes of organized industrial productivity, the individual has been configured as the entity requiring regulation.

There has been a process of producing and refining very particular subjectivities of debt (53), clear discursive moves to construct responsible, autonomous, and self-regulating individuals whose failure to cope with the vicissitudes of modern living has no social, political, or economic precursor (12, 54, 55). The Thatcherite subjectivity project that savaged collective and social points of identification and replaced them with “ways of being” characterized by self-reliance and responsible home ownership has been reproduced through the promulgation of new social practices, institutions, and expert practitioners that render indebtedness a self-regulating failure of neoliberal subjectivity. Policy developers, academics, third sector and statutory sector purveyors of financial self-regulation, teachers, media, and primary care health professionals have been mobilized to promote cultures of practice that reproduce the financially responsible neoliberal subject. Rather than an appraisal of problem debt that considers the changes in the employment and fiscal landscapes outlined above, these institutions and actors perpetuate problem debt as an issue of individual responsibility in which feckless, irresponsible financial behaviors are issues of personal ignorance that require education (53). Through a nexus of social and political means, techniques of power have been mobilized to render debt advice, financial capability training, and/or a reconnection with the labor market as the means through which to mitigate personal debt and reconnect to acceptable citizenship.

DISLOCATIONS IN THE WORK SYSTEM:
WELFARE AND PERSONAL DEBT IN THE UNITED KINGDOM

What of those who resolutely refuse or are unable to be subjected into increasingly demeaning and oppressive cultures of work? Considerable strategic energy has been spent to move people into low-paid, insecure, and potentially health-damaging work. The experiences of the growing number of people who oscillate between low-paid, poor-quality work and unemployment (56) reflect Whitehall’s ultimately flawed but enduring belief in coercion by destitution (18). The majority of people on low incomes, incapacity benefit, and unemployment benefits exist well below the minimum income for the most basic standard of living.
Labor market differentials between industrialized and less industrialized countries, and strong tax-based constraints, have led to a degree of globalized competition between welfare states (57). This is manifest in an inevitable pressure to reform welfare states, and hence the universal contraction of the U.K. welfare system (19). Historically, welfare systems were initiated to avoid public disorder following dislocations in the work system and then were retained in altered form to enforce work (58). As surrogate systems of social control when the market temporarily failed, they tended to expand during times of need and contract during better times to expel people back into work. However, the culmination of recent neoliberal trajectories of employment and economic management suggests a sustained and unidirectional contraction in welfare during what are currently times of decreasing and low-waged work.

The welfare practices of social democratic European countries such as Sweden, Norway, Austria, and Denmark suggest that a strong welfare state does not necessitate hindered economic performance (59). However, there appears to be growing consensus in the notion that unemployment benefit hampers workers’ mobility and hence economic performance. Recent attempts by the New Right to remodel the welfare state exist within a long tradition of conservative attempts to dismantle the welfare state. These efforts have been resisted more often as a failure of successive cabinet ministers to find any sustainable and efficient private alternative (20). As was shown in the 1980s with city technical colleges, the administration of student loans, and the problems of enticing private landlords into “sink” estates, it is clear that the private sector is not unfailingly enticed by the attractions of assuming control from the state (20).

Recent neoliberal technologies of government have produced an inevitable contraction in the U.K. state welfare, but it has on the whole remained reasonably resilient to explicit and wholesale moves toward privatization. This is the case despite the continuation of transnational corporate lobbying for access to a multi-billion pound market in a country committed to modernization through liberalization (19). Nevertheless, growing discursive configurations of a failing institutional relic have set the scene for efficiency drives to meet targets for underinvestment. Recent years have evidenced a transformation from a U.K. welfare state to a workfare state in which New Labour’s “New Deal” was based firmly on a duty to work (60). Such a workfare state can be characterized by strengthening work requirements and limiting and reducing the duration of welfare benefits (38). There has also been a parallel transformation in the relations and identities that characterize unemployment (61). Workfare, through the politics of individualization and disciplinary action, inculcates both the desire for and the necessity of permanent work, while in reality the availability of this work is fast disappearing (14, 21). A nexus of workfare professionals has been invested with the authority to act as experts in technologies of social governance (62).

Through the organization of workfare initiatives, and to complement the workfare ethos of disciplining people into low-paid work through poverty, there
has been a strategic mobilization of the “work as therapy” discourse (26). Despite extensive evidence of the growing problems of advanced liberal work practices (26, 63–67), work, such as it is, has been positioned as beneficial for the mental well-being of all and therapeutic for those currently suffering with problems of mental distress. There seems to be coherence in recent mainstream academic and policy conjecture that current organizations and practices of neoliberal work are generally good for people. While in work, increasing practices of exploitation and subjection are transformed into problems of self-care in which cognitive behavioral therapy and other pedagogical techniques of self-management can, by more explicit means, fashion neoliberal cultural stragglers into appropriately pliant and productive employees. To complement recent workfare legislation, substantial symbolic labor has been spent to ensure as many citizens as possible are disciplined into adherence.

The problems of skilled-labor shortage and long-term unemployment inherent in the focus on employability are complemented by a move to make people responsible for the problem of their unemployment. Workfare organization in the United Kingdom has represented an identity project in which people are pressed to engage in ethically desirable subjectivities through a willingness to accept increasingly insecure low-paid and problematic modes of work. Those who fail to do so exhibit a personal problem of conduct that is disjunct from an assessment of the quality and availability of jobs. The strategies through which to mobilize and “empower” the unemployed into assembling responsible ways of life include workfare coercion, technologies of “responsibilization,” and, recently, the adaptation of corporate social marketing techniques to enable people to find value in the job-seeking process by creating an attractive image of work (68). Omitted from the workfare rhetoric is the fact that 54 percent of the already comparatively inflated number of U.K. children living in poverty live in households where at least one adult works. This suggests that, at present, paid work does not automatically represent a route out of poverty (69).

Economically sustainable employment and a fit-for-purpose welfare system have contracted together to leave a vacuum in the potential means to access a basic standard of living. The growing gulf between the necessary income for a minimum standard of living and the realities of an insecure and contracting low-wage U.K. economy has left an increasing number of people on benefits well below the minimum income for a basic standard of living (50). For an increasing number of people, personal debt is used to supplement welfare benefits. For many people, personal debt is needed to service monthly living commitments and has come to act as a primitive and ad hoc part-privatization of social security. The previous postwar formula of welfare in which political authorities acted to collectively manage the dangers of a capricious system of wage labor has given way to a “kind of privatisation of risk management” (70; see also 58). Problems of employment, unemployment, and ill-health have been transferred into the private realm, not through a politically unpalatable system of private insurance payments, but
through the gradual accumulation of unsustainable sub-prime credit. Moreover, and at odds with Piven and Cloward’s historical analysis of the U.K. welfare mechanism (58), this transfer to an individual responsibility for welfare has occurred at a time when labor market developments have led to diminished personal resources (13). Neoliberal regression toward low wages and low job quality and availability has failed to halt a continuing contraction of the U.K. welfare system. Over-indebtedness exists in this vacuum that separates a growing number of low-income people from a minimum income standard.

CONCLUDING THOUGHTS

This article suggests that a neoliberal nexus of authorities, technologies of governance, forms of political mobilization, and the widespread practice of making people responsible for problems of debt and employment have combined to produce an increasingly problematic range of experiences of work and personal debt. Moreover, this has facilitated very specific ways of knowing and acting upon the mental and physical health difficulties associated with problems of debt and material deprivation.

An illusion of economic growth is based on increasing levels of often traumatic personal debt and a low-wage labor force compelled into increasingly problematic practices of employment. In recent years, and through the rhetorical utility of globalization, a concerted neoliberal assault on personhood, modes of employment, minimum incomes, and practices of welfare governance has effectively constituted new forms of poverty and personal sustenance through deregulated sub-prime credit markets. The variable and multifunctional nature of personal debt provides a substrate for neoliberal public policy through three mechanisms. It allows the development of fallacious notions of economic growth and prosperity; it reinforces the systematic development of an increasingly low-wage labor market; and it allows a reduction in state spending by representing a primitive means through which to transfer collective risk into private responsibility. In doing so, the growth of personal debt in the United Kingdom in recent years has exposed as flawed a workfare discourse that posits paid work as the solution to the problem of poverty in the United Kingdom.

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