

**THE EVERYDAY POLITICS OF THE AGE OF  
AUSTERITY:  
CRISIS AND THE LEGITIMATION OF FISCAL  
CONSOLIDATION IN THE UK**

**by**

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**A thesis submitted to  
The University of Birmingham  
for the degree of  
DOCTOR OF PHILOSOPHY**

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June 2014**

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## **Abstract**

In 2010, the British Coalition government came to power explicitly promising spending cuts as part of a wider fiscal consolidation programme to resolve a debt crisis. Despite this promise to reduce public services, the British public seemed to reluctantly accept as necessary the imperatives of this debt crisis. Why? Through the analysis of data from focus groups conducted around Birmingham, this thesis tackles this puzzle of austerity acquiescence by answering a double-edged central research question: how do everyday actors make sense of austerity, and what do these processes tell us about the legitimation of austerity and the wider politics of crisis? The central argument is that while austerity is a vague and highly moral idea, it is simultaneously powerful and 'successful' inasmuch that it resonates with the 'mood of the times'. In other words, fiscal consolidation has been conferred a degree of legitimacy since it can be justified in line with some of the intersubjective beliefs and experiences of the public. Through this argument, this thesis primarily contributes to the discipline of political economy through a novel empirical account of austerity acquiescence and a constructivist framework for exploring how crises and narratives are conferred legitimacy through resonating with the mood of the times.

## Acknowledgements

First and foremost I would like to thank my supervisors, Stephen Bates and David Bailey. Stephen has mentored me since I was an undergraduate student, and I am extremely grateful for the time and effort he has dedicated to ensuring my intellectual and academic development. Together, Stephen and David's unwavering support, input and willingness to give me space to explore different avenues in my research have been instrumental in the successful completion of this thesis.

I am very fortunate to have carried out doctoral research in communities that have been so forthcoming with advice, support and camaraderie. I thank first my fellow MSc students from the University of Sussex, who in their mastery of their various topics showed me what coherent research projects should look like and that there's more than one way to do social science. Special thanks to Erica Consterdine for always providing a second pair of eyes and ears.

POLSI is an intellectually stimulating and supportive place to do a PhD. I extend my gratitude to my fellow students and those staff who challenged me over my research, provided camaraderie, and put up with boorish methodological rants. In particular, I thank Amin Samman for probably doing more than anyone to challenge my specific arguments, approach and assumptions. I also acknowledge Laurence Cooley for being an almost always willing and active listener of my ideas, and for accompanying me to the first focus group for moral support. Andrew Futter played an instrumental role in socialising me into the ways of academic life. I was also fortunate to be in the same cohort as Sam McPhilemy, Fran Amery and many others.

Special thanks to André Broome, who as the former POLSI Director of Postgraduate Research has played a formative role in my intellectual and academic development, and who kindly provided very helpful comments and suggestions on parts of the final draft of the thesis.

I was fortunate enough to receive ESRC Overseas Institutional Visit funding, which allowed me to spend 3 months at the Department of Business and Politics at Copenhagen Business School. This visit proved a turning point in my research, and I thank Martin Carstensen, Joelle Dumouchel, Iver Kjar and Leonard Seabrooke for helping make the trip so worthwhile.

The IPE and political science communities I have engaged with during my research have been very helpful and encouraging. I've been exceedingly fortunate to be surrounded by so many helpful and supportive people, and I hope I will be able to follow their examples when I embark upon an academic career myself.

I extend my thanks to those who kindly agreed to participate in the focus group discussions. Special thanks to Saqib Amin at Birmingham Settlement for organising two of the focus groups, and to Matt Donoghue for allowing me to sit in on one of his focus groups. I also acknowledge the generous funding of the ESRC (studentship award ES/I901825/1).

Finally, I would like to thank my family for always being so supportive of my aim to pursue an academic career, and Jonna for being an understanding and generous partner.

## **Note**

In accordance with section 7.4.1 (g) of the Regulations of the University of Birmingham (Section 7 – Assessment, Progression and Award), please note that significant parts of Chapter 5 have been published as:

Stanley, L. (2014) 'We're Reaping What We Sowed': Everyday Crisis Narratives and Acquiescence to the Age of Austerity', *New Political Economy*, 19(6), 895-917.

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## Introduction

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*Imagine living in a country where the prime minister could announce one morning that his drastic spending cuts would now roll on for twice as long and hear barely a murmur of protest.*

(Aditya Chakraborty, 'Ten years of austerity? Only the British would meet that with barely a murmur', *The Guardian*, 23<sup>rd</sup> July 2012).

In 2010, Britain entered the 'age of austerity'. As Liam Byrne, the former British Chief Secretary to the Treasury, put it somewhat flippantly in a note for his successor in 2010: 'there's no money left'. Byrne was referring to the increasingly politicised fact that, amongst developed Western nations, the UK had one of the largest fiscal deficits that was contributing to increasing debt levels. In the melee to explain this seemingly novel situation, various reasons were cited – including the effect of automatic stabilisers owed to the 2008-09 recession, a collapse in revenues from the financial industry, and New Labour economic mismanagement. In May of that year, the British Conservative and Liberal Democrat parties formed a coalition government in which the leaders of both parties formally agreed that 'the most urgent task facing this coalition is to tackle our record debts', which was justified in terms of tackling 'Labour's Debt Crisis' to ensure that the UK lived within its means. The resulting policy strategy combined moderate tax rises with the largest cuts to public spending

since the Second World War (Taylor-Gooby and Stoker 2011). Consequently, fiscal consolidation became perhaps *the* priority of the British state, representing not just a short-term rebalancing of the books but a more concerted effort to transform the state to institutionalise fiscal responsibility in the long-term.

According to the UK coalition government, the reasons for this are obvious. They claim that there is no alternative to austerity if the UK's all-important international credibility is to be saved: the fiscal deficit and/or debt is the cause of the previous government's systematic overspending. The answer to too much debt is never more debt: it is to cut spending and live within means, like a responsible household with too many credit cards should. With the recent innovation of 'growth-friendly fiscal consolidation', proponents of austerity argue that states can ensure that purposefully deflating the economy through a large fiscal squeeze does not dampen demand and thus growth, because the spending cuts and retreating public sector will free up space for the private sector (otherwise 'crowded out') to drive the economy forward. Furthermore, according to Ricardian equivalence, consumers and businesses will calculate that when spending is cut on the proviso of cutting the state's debt the threat of future taxation is dampened and so go out and spend money and start businesses – giving the economy an important boost. This is the justification for fiscal consolidation. This thesis focuses on the legitimisation of this strategy, from 2008 to 2012, in the UK.

This idea of fiscal consolidation has come under increasing attack from all corners since 2010. For instance, chief economic commentator for the *Financial Times* Martin Wolf, along with New York Times columnist and Nobel prize-winning economist Paul Krugman, have repeatedly decried the economic logic behind the UK's fiscal consolidation plan. Even the stereotypically liberal *Economist* has suggested that

although ‘commendable’ the UK ‘could easily lose a decade’ unless considerably more emphasis is placed upon regaining growth (Economist 2013). Furthermore, the International Monetary Fund (IMF) made thinly veiled criticisms of a similar kind in their surveys of the British economy. There have been many attempts by political economists to argue for the inherent dangerousness, invalidity, and inappropriateness of the idea (e.g. Baker 2011, Boyer 2012, Callinicos 2012, King *et al.* 2012, Sawyer 2012, Blyth 2013a). To top it all, there is emerging evidence that austerity is seriously detrimental to the physical and mental well-being of citizens (Stuckler and Basu 2013). The message is loud and clear, *austerity is a dangerous idea*: dangerous because it has never worked during a global slump; dangerous because it seriously dampens economic growth; dangerous because it misunderstands what requires fixing in the current crisis; dangerous because it has no credible intellectual underpinning; and, ultimately, dangerous because it imposes losses on normal citizens, with those losses particularly concentrated on the poor and impoverished.

Yet in another sense, *austerity is a powerful and ‘successful’ idea*. It has not been successful necessarily in the sense that it has resulted in sensible, correct and fair policies. Instead, it has been successful in the sense of capturing the imagination of the public and legitimating a significant economic strategy that promises to impose losses on many citizens. Indeed, significant segments of the British public – and not just the wealthiest asset-holding classes – seem largely to accept the imperatives of the ‘debt crisis’ and the subsequent spending cuts. While there has been a flurry of research that aims to discredit the economic basis of the idea of austerity, very few scholars have paused to reflect on how the idea is powerful and successful *in spite* of its apparently flawed theoretical basis. In order to tackle this puzzle, this thesis asks:

- How do everyday actors make sense of austerity?

- What do these processes tell us about the legitimization of austerity and the wider politics of crisis?

It primarily researches these questions through a number of focus group discussions with non-elite actors to explain this austerity acquiescence in its own right. It is shown that when we talk about austerity we are not necessarily talking about just short-term fiscal consolidation: it is talk about debt, and talk about tax that emerges – talk of which is necessarily bound up in complex issues of morality, fairness, identity and other everyday politics. Consequently, the idea of austerity is not reducible to just economic theories since it also gives meaning to the increasing focus on thrift, frugality and financial responsibility in the post-2008 British context.

The central argument of this thesis, that austerity is a powerful idea, contains within it three distinct contributions. First, *analytically or empirically*, it explains austerity acquiescence. It argues that austerity successfully resonated with the ‘mood of the times’ – pre existing and culturally embedded experiences and knowledge that ensure that the debt crisis, and the imperatives of fiscal consolidation, give meaning to how everyday actors make sense of how the economy does and should work. By showing how potentially unpopular reforms were legitimated, this aspect of the thesis contributes to debates about political and economic change following the global economic downturn of 2008 and beyond. Second, *methodologically*, it incorporates the otherwise empirically unexplored constructivist concept of ‘mood of the times’ into an everyday politics framework that uses focus groups to explore the process of legitimization on a micro-level. This framework thus proposes one way to study how economic ideas are ‘successful’ while also extending and expanding upon recent ‘everyday’ international political economy (IPE) calls to incorporate, both empirically and conceptually, the role of non-elites in analysing the process of legitimization. Third,

*conceptually*, this thesis shows how the idea of austerity extends beyond just economic theories of fiscal consolidation or ideological commitments to a smaller state. The idea of austerity is also bound up in subtly shifting norms and expectations about how decent households ought to act and conjures up images of post-war 1940s ‘austerity’, and seeing it in this light has important implications for understanding the cultural politics of fiscal consolidation. The rest of this introductory chapter is dedicated to unpacking the existing literature and research puzzle, delineating in more detail the argument and contribution of the thesis, and outlining the structure of the thesis itself.

### **The agenda: post-2008 change and the idea of austerity**

Crisis conjures up many meanings: a turning point, a decisive intervention, an opportunity, a failure, and so on. As every good student of crisis knows, the concept can be traced back to medical use in Ancient Greece, where it referred to a moment in which a patient either dies or makes it through a debilitating illness (Habermas 1976: 1-5, Koselleck 2006, Gamble 2009b: 38-9, Froud *et al.* 2012: 44). While these etymological origins may seem arcane, they mirror the current use of crisis in political science and political economy. ‘Crisis’ is a concept that is central to understanding the institutional transformations – the rise and fall of the post-war settlement and the subsequent dominance of something akin to neo-liberalism – that constitute many salient historical narratives of twentieth century capitalism (e.g. Jessop 2002, Blyth 2002). This is perhaps why much of the academic literature on the global economic downturn of 2008 and beyond is so geared towards identifying a great transformation

or not<sup>1</sup>. This meaning of crisis is filtered into political economy debates about the global economic downturn and austerity.

These accounts emerge from political economy analysis of the 2008 global economic downturn. Many reasons have been put forward for this crisis: contagion from the US sub-prime debacle (Gamble 2009a: 455); the form and content of recent reforms to financial regulation (Crotty 2009), in particular the Basel accord (Friedman 2009); a model of economic growth based on private indebtedness (Crouch 2009, Hay 2013a). Given these diagnoses, it is unsurprising then that the crisis was seen by some as a window of opportunity to rally against the market (Wade 2008: 6), reclaim a role for the state (Hattersley and Hickson 2012), and rethink financial regulation (Froud *et al.* 2010, for excellent critiques of this view see Konings 2009, Thompson 2012). However, with this window of opportunity firmly closed following the period of quasi-Keynesianism in 2008, this initial optimism has dissipated. Consequently, there is much debate about whether to declare either the end of the neo-liberal project (e.g. Marsh 2009, Nesvetailova and Palan 2010, Abdelal *et al.* 2010), or instead claim the essential vitality and continuation of the pre-crisis paradigm (e.g. Gamble 2009b, Hodson and Mabbett 2009, Crouch 2011) – while others argue new ‘walking-dead’ forms of ‘authoritarian neoliberalism’ are appearing, in which an intellectually discredited free-market ideology can only sustain itself through increasingly undemocratic politics (e.g. Peck 2010, Macartney 2013, Bruff 2014).

Many political economy analyses of the politics of fiscal consolidation continue this line of questioning. Both Mark Blyth and Colin Hay, for instance, offer interesting

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<sup>1</sup> This reflects IPE more generally. For Amin and Palan, IPE has ‘tended to see economy and polity in the international system in terms of the dynamic of equilibrium and temporary disequilibrium (until a new order settles)’ (2001: 567). Moschella and Tsingou’s (2013) recent edited collection, for instance, is specifically framed against this search for a great transformation.

analyses of the idea of fiscal consolidation, but ultimately limit these analyses to explaining the post-2008 ‘reinforcement’ (Hay 2013b: 23) or ‘maintenance’ (Blyth 2013b: 210-1) of the neo-liberal paradigm. Huw Macartney perhaps captures part of the mood in concluding that ‘a crisis of neoliberalism is being countered by re-invoking neoliberalism’ (2011: 197). At the heart of these debates is an important question: how has a crisis ostensibly either of (or at least in) finance or of neo-liberalism been transformed into the crisis of state overspending and of state debt that makes spending cuts seem so inevitable? While there are many excellent analyses of this phenomenon, they remain silent on how this shift has been successfully legitimated by the elite actors who drove the discourse of debt crisis forward.

In addition to this literature on the nature of change following the crises of 2008, there have been several political economy analyses of the idea of austerity itself. Photis Lysandrou (2013), for instance, successfully challenges two of the theories central to the economic justification of austerity: the argument that rising deficits and debts will lead to a crisis of confidence amongst sovereign bond investors, and that a 90% debt to GDP ratio will have an adverse impact upon economic growth. Mark Blyth’s (2013a) *Austerity: The History of a Dangerous Idea* demonstrates how fiscal consolidation is based on an premise that severely misdiagnoses the current crisis, an idea that has no substantive theoretical underpinning, and a strategy that has never worked in conditions akin to the current global economy. Suzanne Konzelmann (2014), meanwhile, provides an unparalleled political economy analysis of austerity, tracing the social, political and economic developments that have shaped ideas about austerity – extending her reach from classical political economy to the present day, with everything in-between. Konzelmann concludes, capturing the mood, that ‘[t]he tragedy today is that, with the benefit of hindsight, we should know better’ (2014: 36).



While presenting a very convincing case against austerity, this literature is unable to adequately explain how and why large sections of the public accept its imperatives. Here, the economic theory and history of austerity is far less relevant. As Malcolm Sawyer (2012: 208) points out, there was little direct appeal to these theories in the justifications for austerity. So while debunking them is at the very least an important political activity, it is not particularly helpful in analysing the puzzle here. In contrast, struggles over what is right and wrong, for instance, have been a key feature of the debt crisis analysed here. Marion Fourcade has rightly suggested that ‘these moral struggles and the different paths they inspire are not a distraction from some ‘real’ economic issues beneath’ (2013: 626). However, tellingly, ‘morality plays’, so central to the justification of austerity, tend to be discarded early on in these analyses (although Konzelmann is partially an exception here), presumably since they are considered a rhetorical distraction that obfuscates the real political economy issues.

A key part of the argument here is that we should move away from this limited focus. These debates about whether austerity works (and, if so, how and when it should apply) are relatively arcane, and should at least be supplemented with an analysis of how spending cuts in the name of austerity are presented and justified. Otherwise, we will gain very little analytical traction into answering an important puzzle: how and why segments of the population accepted austerity as necessary, in which seeing how elite actors used the idea of austerity to claim legitimacy for spending cuts will be a crucial part. My suggestion here is simple and straightforward: instead of trying to work out (and then refute) what the underlying economic theory of austerity may be, we additionally accept and explore the public justifications for fiscal consolidation as a potentially constitutive (rather than an epiphenomenal) part of the idea of austerity itself. This approach treats austerity not as an arcane and technical economic theory to

be debunked, but as a cultural artefact embedded in society – to be explored and understood in its own right, but also as a means to explaining austerity acquiescence.

Taking this approach to the idea of austerity is also potentially illuminative in regard to an issue that in principle should be relatively straight-forward: how to define austerity. While Lysandrou does not really define austerity *per se*, there is a genuine ambiguity at the heart of Blyth's definition of austerity. As Chris Bickerton (2013) pointed out in a blogpost, Blyth himself uses up to 12 different definitions of 'austerity' ('internal deflation', 'a mere sensibility', and so on) in his book. Konzelmann, to her credit, acknowledges this ambiguity when she writes on how 'lengthy debate has failed to produce general agreement about *what* constitutes austerity, much less *why* and *when* it should be applied'<sup>2</sup> (2014: 3). We therefore have the strange situation in which the discipline of political economy is unable to precisely define one of the most important words in contemporary politics and economics.

Konzelmann's definition of austerity, a 'form of cutting back on spending, notably (but not only) that of governments' (2014: 3), is helpful in showing the way. However, a singular definition of austerity may be misguided. In the field of cultural studies meanwhile, Rebecca Bramall, herself borrowing from an essay by John Lanchester, introduces the very useful distinction between spending cuts and austerity. While spending cuts indicates 'real' specific reductions in services, austerity represents a harder to locate general reduction in government spending (Bramall 2013: 2). Bramall downplays spending cuts, just looking at austerity as a cultural phenomenon through

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<sup>2</sup> Given this understanding, it perhaps unsurprising that Konzelmann designates considerably more time than either Blyth or Lysandrou in analysing the moral justifications for austerity – although she too ultimately limits her analysis of this to concluding that most of the justifications are misleading without seeking to explore how they are powerful or successful in resonating with the public.

the specific lens of memory studies. Consequently, she does not spend much time or space on whether adopting austerity as a lifestyle has much bearing on accepting spending cuts. We can, anyway, go somewhat further, and identify three parts of the idea in focus: spending cuts, fiscal consolidation, and austerity. While spending cuts refers to the very specific and almost muddling through nature of instigating reduced services and welfare retrenchment, fiscal consolidation is closer to the Blyth and Lysandrou understanding: the idea that governments should practice ‘sound finances’ to facilitate a minimum state is much less clear-cut. Throughout this thesis, but especially in Chapter 7 and the Conclusion, I make the case that austerity is simply the idea of *living within one’s means*, an inherently moral imperative that should be contrasted against the technocratic and bureaucratic logics of fiscal consolidation and spending cuts, respectively. These distinctions run through the entire thesis, but the full consequences of this conceptual distinction are explored briefly in the Conclusion.

### **The puzzle: explaining austerity acquiescence**

This novel research agenda shifts the focus onto questions about how elite actors justify spending cuts in the name of fiscal consolidation through ‘morality plays’. This agenda is a means to best explain the central puzzle of this thesis: how and why segments of the population have accepted the necessity of austerity. More specifically, this agenda shifts the focus onto questions about how legitimacy was conferred on this strategy despite the potential for strident public opposition.

In the face of this full-frontal and explicit assault on the state, one may expect mass protest and contestation to emerge, or perhaps even a legitimation crisis (Habermas 1976). David Bailey (2014) has, for instance, shown how the global financial crisis has led to a demonstrable increase in the quantity of political protests. While this

contestation is important, it remains the case that there is a general trend in which significant sections of the British public have met the onset and imperatives of austerity with a reluctant acceptance. This should not be confused with an assumption that no one has resisted spending cuts, or that the majority of the public think they are fair. It is instead to point out the overall trend of large segments of the population towards inertia in the face of fiscal consolidation. This is a phenomenon I refer to as austerity acquiescence.

Within political economy, a few scholars have explored austerity acquiescence. For Marion Fourcade, Eurozone austerity is distinct because the morality plays on which it is based have ‘the backing, if not the active encouragement, of a large segment of their populations’ (2013: 625). For Martijn Konings, meanwhile, the rise of a ‘neoliberal populism’ is ‘conspicuously absent in recent political economy commentary’ (2012: 612). Austerity acquiescence has become the ‘elephant in the room’ (2012: 613) because progressive thought and constructivist political economy are unable to make sense of episodes where the ‘public has itself clamoured for neoliberal austerity’ (2012: 610). I seek to significantly expand upon these preliminary analyses.

This thesis explores a particular and distinctive period within the self-styled ‘age of austerity’ in the UK in the period up to 2012<sup>3</sup>: when the politics was characterised by acquiescence from the British public to the *idea* of fiscal consolidation. The focus on the idea is what makes this period distinctive: as of 2012 (when the focus groups were conducted, and this thesis thus analyses up to) many of the spending cuts were still

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<sup>3</sup> Since the focus groups were conducted in 2012, this is an appropriate cut off point for this research.

projected<sup>4</sup> and indeed yet to be fully implemented<sup>5</sup>. Furthermore, as Chapter 1 shows, the extent of the spending cuts may have been overplayed, since there is evidence that only the 2010 budget introduced particularly sizable cuts. Both the ‘Winter of Discontent’ (Hay 1996a) and the poll tax fiasco (Bellamy 1994, Besley *et al.* 1997) highlight, in different ways, the importance of legitimising controversial economic strategies. The age of austerity provides a distinct challenge in this respect. For Posner and Blöndal, the ‘democratic political imperative is viewed as being at odds with the fiscal responsibility imperative’ (2012: 12)<sup>6</sup>. In other words, with many voters being ‘squeezed’ due to the rising cost of living, one would not expect to woo voters with the promise of yet greater hardship. Yet, the Conservative Party, it must be remembered, won a minority election victory and formed a coalition government on the back of *explicitly promising* and *foregrounding* ‘the age of austerity’ as a necessary solution to an out-of-control fiscal deficit.

Yet fiscal consolidation was not the stark reality for the UK it may have appeared to be for many Eurozone periphery states (including Greece, Ireland, Portugal, Spain and Italy). Without monetary autonomy due to the institutional design of the Eurozone, the periphery states had little option but to reassure bond markets through retrenchment, or otherwise continue to borrow at increasingly unsustainable levels that would exacerbate the situation. Rising bond yields (see Figure 1) provided

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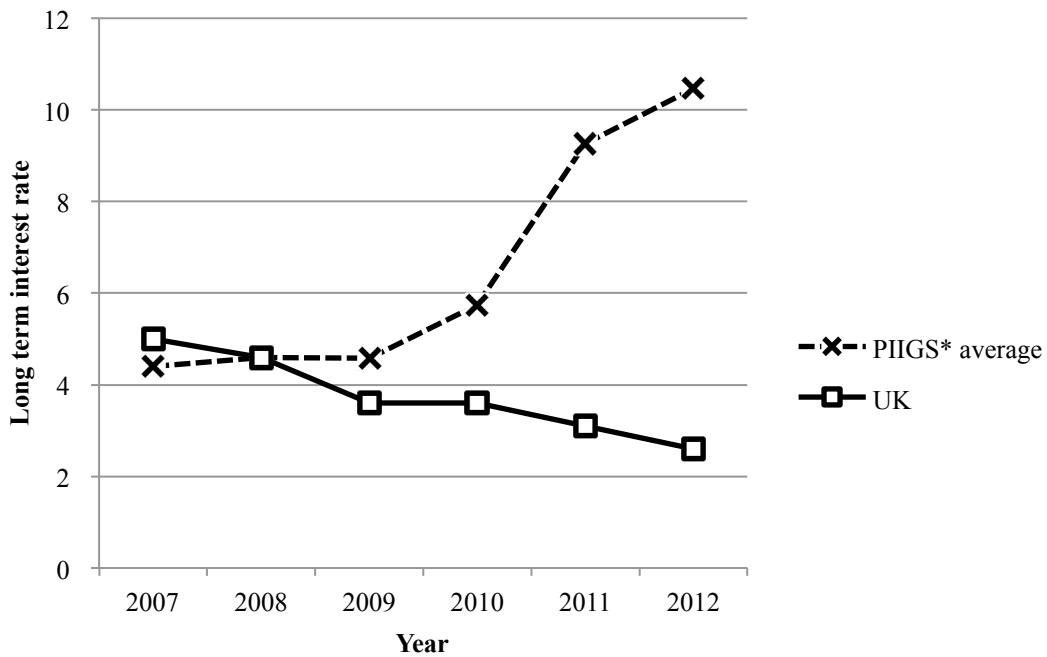
<sup>4</sup> According to the Institute of Fiscal Studies ‘only 12% of the planned total cuts to public service spending, and just 6% of the cuts in current public service spending, will have been implemented by the end of [the 2011-12 financial year]’ [Source: <http://www.ifs.org.uk/budgets/gb2012/12chap3.pdf>].

<sup>5</sup> This implementation may well give rise to a second phase of politics characterised by resistance based on the lived and direct experiences of spending cuts and the stilted recession-riddled economy that cuts gives rise to. Or, the ‘sound finances’ resulting from balancing the budget may give rise to a new economic prosperity based on a newly invigorated private sector. The point is that such acquiescence in this specific first period is, I believe, worthy of analysis.

<sup>6</sup> There is also an emerging literature on the potential ramifications of the age of austerity for political participation (e.g. Crouch 2013, Offe 2013, Streeck 2013, Streeck and Mertins 2013) that is not of direct relevance for purposes here.

incumbent politicians with shared and relatively incontestable public evidence to build a consensus around a notion of the state in crisis<sup>7</sup>. The UK, on the other hand, had both monetary and fiscal policy-making autonomy, mostly because low gilt yields made debt financing very cheap<sup>8</sup> (Thompson 2013: 10-12). But this also meant that British politicians did not have the same market-blaming technocratic justifications for austerity as those in Europe had. For these reasons, the legitimation of fiscal consolidation in the UK is a particularly interesting and illustrative case study.

**Figure 0.1 10-year government bond yields**



\*Portugal, Italy, Ireland, Greece and Spain

Source: OECD Economic Outlook 91 database.

<sup>7</sup> As Simona Pino (2012) has tentatively argued, this indeed proved the case in legitimating Monti's fiscal consolidation plan in Italy – where rising bond yields acted as the impetus behind the necessity of intervention and the imposition of an anti-democratic technical government itself.

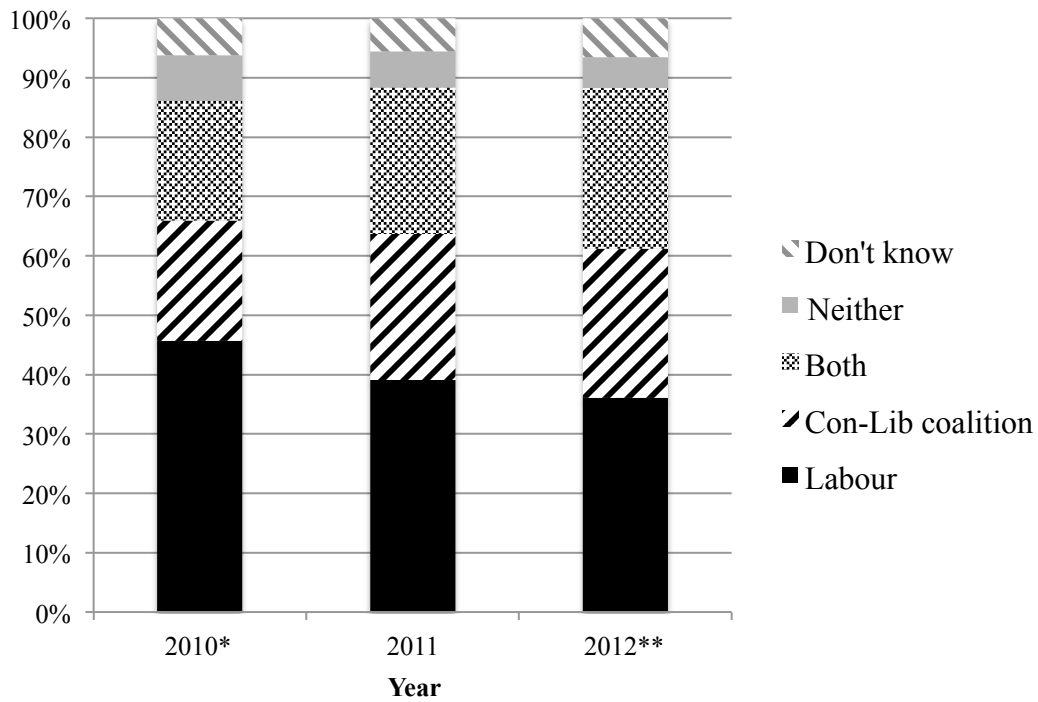
<sup>8</sup> The answer to the particular puzzle of *why* gilt bond yields have stayed low is explained as either the result of a favourable market reaction to a perceived credible fiscal consolidation strategy or because the UK, unlike Greece for instance, has more autonomy that renders sovereign default virtually impossible.

Austerity acquiescence can be further illustrated with polling data. YouGov have been conducting a weekly opinion poll on austerity and attitudes to public spending cuts. Interestingly, as Figure 0.2 shows, polling evidence from YouGov indicated that a considerable amount of respondents (36-46%) polled between 2010 and 2012 blame the Labour party for spending cuts, which tentatively suggests that either Conservative narratives resonated or that it was successful in persuading people – although the blame put on Labour did decrease over time. From looking at some of the other survey data they have collected (see Figure 0.3), one could easily conclude that the public are against spending cuts: 63% of those polled think the cuts are being done unfairly; 72% of people are worried that they won't have enough money to comfortably live on; around 75% people think they will suffer directly from cuts to welfare in the next two to three years<sup>9</sup>. One survey question, however, asks a different question: whether they think spending cuts are necessary. And, interestingly, as Figure 0.3 highlights, a majority of people (57%) think such cuts are *necessary*. This is a potentially profound and important insight. Believing that a state strategy is unfair and likely to worsen life may be negated somewhat by the perception that the very strategy is itself a necessary intervention. This raises an interesting question: how is the idea of austerity and the subsequent imperative to cut the deficit so powerful? How does the general public deem it so necessary?

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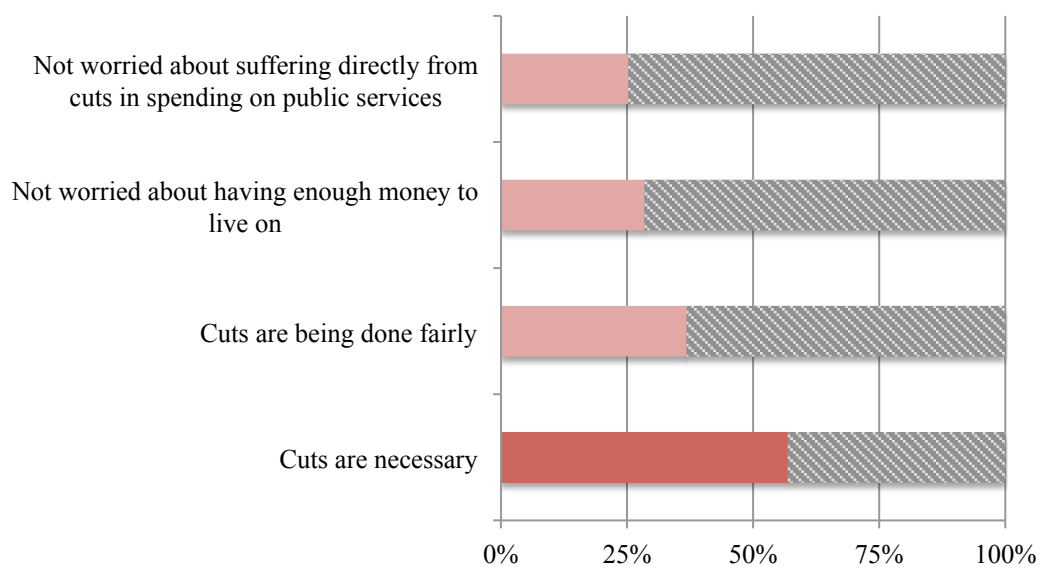
<sup>9</sup> These figure was reached by averaging the 2012 responses to a recurring poll on the economy conducted by YouGov. Respondents were asked 'Thinking about the way the government is cutting spending to reduce the government's deficit, do you think this is...Necessary or unnecessary?'

**Figure 0.2 Public attribution of blame for spending cuts 2010-2012 (average)**



Source: YouGov (note \*From June 13<sup>th</sup> onwards, \*\*Up until July 16<sup>th</sup>)

**Figure 0.3 Attitudes to spending cuts 2010-2012 (average)**



Source: YouGov (note that survey data is from June 13<sup>th</sup> 2010 until July 16<sup>th</sup> 2012)



Political economy and political science typically have two approaches to tackling this puzzle of austerity acquiescence. The first set of explanations focus on *interests*. The ‘new politics of welfare’ (Pierson 1994, 1996) literature, for example, assumes that (welfare) retrenchment is an intrinsically unpopular policy strategy due to the human cognitive bias towards loss aversion (see Kahneman and Tversky 1984)<sup>10</sup>. Similarly, an economics conventional wisdom is that fiscal adjustments are ‘the kiss of death for the governments which implement them: they are punished by voters at the following elections’ (Alesina *et al.* 2011: 1)<sup>11</sup>. Thus, politicians must engage in the ‘politics of blame avoidance’ (Weaver 1987, see also Hood 2002a, 2002b) to generate acquiescence through controlling (and obfuscating) the information that the preferences of the mass public are based. Based on this logic, austerity acquiescence may not be a reluctant acceptance at all, but instead just a waiting period until the Coalition government can be adequately punished in the best way the electorate knows: through the ballot box. Ricardian equivalence, meanwhile, theorises that when state debt levels rise rational agents, such as households and businesses, alter their behaviour on the calculation that more national debt will lead to tax rises (Barro 1989). To reverse this is to argue that when spending is cut and thus the state’s debt reduced, then agents perceive that the threat of future taxation is lifted – and thus accept spending cuts on the basis of future savings.

The second set of explanations focus on *ideology*. In essence, what lies at the foundation of these explanations is the lack of a viable alternative: without an alternative economic policy paradigm to neo-liberalism to choose from, the public

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<sup>10</sup> Although it should be noted that as this literature has developed, the assumption that welfare retrenchment is inherently unpopular has been increasingly scrutinized (e.g. Starke 2006).

<sup>11</sup> Although we should perhaps be slightly wary of Alesina’s broader conclusions about fiscal consolidation as potentially electorally popular, given the economist’s consistent motivation to justify austerity (as catalogued in Blyth 2013a).

have no option but to accept more of the same. For instance, it has been argued that spending cuts have been constructed as a necessary imperative ‘depoliticising rhetoric’ (Kerr *et al.* 2011: 201) that has shaped the preferences (see Lukes 1974/2005) of the mass public into believing that austerity is in their interest. Alternatively, it may be argued that the dominant market-friendly subject positions of ‘investor’ and ‘borrower’, and the subsequent realigned interests and political allegiances, that link everyday actions to the imperatives of the global economy have created a constituency for exactly the sort of political settlement that austerity promises.

Rather than overturning or rejecting these explanations, this thesis aims to supplement them by tackling the puzzle of austerity acquiescence from a different and novel direction. It proposes that by offering a more concrete analysis based on the empirical analysis of everyday sense-making from focus group discussions, unique and practical insights into austerity acquiescence can be produced. Consequently, and to reiterate, the central research questions of this thesis are:

- How do everyday actors make sense of austerity?
- What do these processes tell us about the legitimization of austerity and the wider politics of crisis?

### **The argument: austerity is a powerful and successful idea**

The central argument of this thesis is that austerity is a powerful idea because it resonates with the mood of the times: since it can be justified with shared beliefs spending cuts are conferred a degree of legitimacy. Within this argument are three contributions: an empirical argument about austerity acquiescence, a novel methodology for studying how economic ideas are conferred legitimacy from the

public, and a sketch of a basic conceptual framework that makes an important distinction between spending cuts, fiscal consolidation and austerity.

Underpinned by a constructivist methodology fully outlined in Chapter 3, the empirical claims in this thesis consist of a case-specific analytical narrative that offers a necessarily incomplete and one-sided explanation of austerity acquiescence in the UK. It is adequately causal in the sense that it shows that due to a number of factors austerity acquiescence was ‘historically *so* and not otherwise’ (Weber 1949: 72). This is assisted through an ‘ideal-type’ conceptual framework about how crises resonate with the mood of the times, the claims of which are based on its ability as ‘*means*’ to this empirical end (Weber 1949: 80). The primary claim to originality (that encapsulates all three distinct contributions briefly surveyed above) is that this particular analytical narrative, and the assemblage of facts and the framework that underpins it, can help us order our experiences and scholarly practices in ways that existing literature can and has not.

Crisis is one of the central and underpinning themes of the argument. Since spending cuts are an intrinsically unpopular policy, a (debt) crisis can convince the populace into accepting fiscal consolidation as a necessary solution to an existential turning point in the nation’s trajectory. It is difficult to make sense of both the transformation from a global financial crisis to a debt crisis – ‘the greatest bait and switch in history’, according to Blyth (2013a) – or the relatively sudden politicisation of the UK’s fiscal deficit without a concept of crisis. In this sense, the language of crisis itself is of particular importance: it is used to signify an irremediable condition of emergency – *unless* an intervention is made with decisive swiftness (Hay 1999: 323-7, Koselleck 2006: 358, Gamble 2009b: 38-9). As Colin Hay puts it, power ‘resides not only the

ability to *respond* to crisis, but to *identify*, *define*, and *constitute* crisis in the first place' (1996a: 255). In this sense, the debt crisis clearly matters.

Crisis also has a central place in some of the key literature on fiscal consolidation, in which the debt crisis is rejected as a mere *symptom* of an alternative underlying *disease* or crisis. Chapter 1 surveys five theses – financial crisis, growth crisis, fiscal crisis, social crisis, and capitalist crisis – that follow this symptom-disease distinction. The point is that contesting crisis – and more specifically, rejecting the debt crisis as a misrepresentation of a different crisis and identifying an alternative true underlying cause – is a high stakes issue in making sense of the politics of austerity. This thesis acknowledges that distinguishing between disease and symptoms of crisis is a useful approach, but suggests it is at least equally worthwhile to also explore how the debt crisis was socially constructed without recourse to contrasting representations with an underlying reality. By examining the cultural and political history of the debt crisis, we are able to better understand how its terms became accepted as everyday common sense (Hall 1979), and thus be better placed to provide a convincing and plausible explanation for the puzzle posed in this thesis.

I define crisis as an essentially narrated process that is brought to life through a process of problem definition, an interpretive battle over the causes and solution to that problem, and an intervention that seeks to resolve the crisis. When introducing controversial economic policy change in the name of crisis, however, politicians will be significantly aided if the public accept the terms of their crisis definition. Constructivist scholars suggest that crises are legitimated through resonating with the 'mood of the times', i.e. acquiring an intersubjective consensus about the appropriateness of imperatives of crisis (Widmaier 2004: 437, see also Widmaier *et al.* 2007). Yet, this constructivist literature tends to remain quiet on how to go about

researching this, subscribing to an implicit view that legitimacy is conferred by ‘proclamation’ (Seabrooke 2006: 40).

Due to this ‘methodological elitism’, the existing political economy literature is unequipped to answer these puzzles because it focuses largely on top-down processes. Everyday IPE seeks to counteract this problem by turning the tables to show how the mass public can drive change in the global economy (e.g. Hobson and Seabrooke 2007b, Seabrooke 2007a, 2010a, 2012, Langley 2008, Broome 2009, Montgomerie 2008, 2009, Watson 2013a). Influenced by this Everyday IPE critique, I argue that this process of crisis can be conferred a required degree of legitimation if it can be ‘*justified via shared belief*’ (Beetham 1991). This means that when we seek to assess legitimation, one way we can do so is on the basis of it conforming to existing shared values, standards and expectations. Yet Everyday IPE relies on methodological proxies. While historical sociology is an illuminating method (Seabrooke 2007b), to gain the best understanding possible of justification by shared beliefs, primary data gained from everyday talk would be desirable – in this case from focus group interviews.

Focus groups are particularly relevant to analysing intersubjectivity: the common-sense conceptions and ordinary explanations shared by a set of social actors (Calder 1977: 358). Indeed, focus groups produce ‘*sociable public discourse*’ in which participants tend to act as if ‘speaking to a gallery’ as governed by the norms of public discourse (Gamson 1992: 20). Everyday talk, gathered through the focus group discussions, allows the analyst to witness the production and performance of these shared meanings and experiences. Consequently, the common-sense assumptions that support certain views – such as those regarding the necessity of cutting the fiscal deficit – can be reconstructed and analysed. Between May and October 2012, I

conducted 6 focus groups with 36 participants divided into two sub-groups: homeowners from middle-income areas and community volunteers from poorer areas.

Crisis, then, is a process of problem definition, narration and decisive intervention. In order to achieve legitimacy, this process must resonate with the mood of the times – or, in the other words, it must be justifiable via shared beliefs. In order to operationalize this, I disaggregate the mood of the times into a three-pronged framework consisting of: (1) the public life of an economic downturn; (2) the role of sense-making in everyday narratives of crisis; (3) legitimacy gaps between the profligate experiences and normative expectations of public money. These three aspects of the mood were all conducive to the debt crisis narrative; indeed, through each one, spending cuts could be justified via shared beliefs. Each will be briefly looked at here for the purposes of signposting.

### ***Public life***

The public life of crisis can engender different state interventions. In the case of widespread hardship and privation, a strong intervention by the state to prop up those suffering could be deemed legitimate. In the absence of such widespread hardship and an inability for private troubles to be converted into public issues (Mills 1970 [1959]: 14), such as in this case, critical events and disruption to the ‘routine texture of social life’ (Hay 1996a: 255) can create uncertainty among the public by upsetting ‘normal expectations’ (Goffman 1971, Habermas 1976). I found that focus group participants often relayed significant private troubles, especially amongst the lower-income groups where participants provided some dark anecdotes about the quality of life but also celebrated the togetherness and resilience of their communities in hard times. However, despite this private hardship, normal expectations were rarely disturbed.

This helped create a mood in which general political and economic inertia could be justified since public life had not been too severely disrupted during the downturn. This is despite a number of critical events that could have disturbed normal appearances and given the impression of something being ‘up’.

### ***Sense-making***

Within this context, all focus groups identified the problem and crisis of *debt*. Although there were some other alternative crisis narratives, many participants (sometimes when specifically asked) identified debt as the problem facing the UK. The sheer act of identifying a debt crisis (as opposed to, say, a financial crisis or a growth crisis) placed significant limits on the sorts of crisis narratives produced. Identifying this crisis in this manner meant that participants tended to view (and accept) the imperatives of fiscal consolidation through a strong moral sense that there was excessive indebtedness. With the UK as a whole, including the state and households, deemed to have overspent during the pre-crisis years, there was a mood that ‘we must reap what we sowed’.

What was notable about this sense-making process is the extent to which states and households were consistently placed within a wide-ranging narrative of previous profligacy and a future asceticism. This does, to an extent, provide some limited evidence of the ‘household analogy’ (an important theme in this thesis): that in making sense of something as intangibly large and complex as the modern state’s finances, people will inevitably simplify it through the heuristic of the household economy – but in a way that limits the possibilities and renders Keynesian policy options as non-sensical. However, I argue that this intertwined narrative can be best explained through the deeply moral nature of debt. When considered as a moral

obligation rather than a financial instrument, it does not appear necessarily incoherent or illogical to place households and states in an intertwined narrative. Although some were critical of this analogous and moral reasoning, participants typically drew on popular wisdom about managing debt in everyday life ('one must pay back one's debts', 'one must live within means') and the experience of financialisation to construct a narrative of austerity that produced a form of acquiescence to the fiscal imperatives of the debt crisis.

### ***Legitimacy gaps***

Since fiscal consolidation is about the funding of the state, it should be of little surprise that tax plays a central role in austerity acquiescence. Specifically, a promise to cut public spending can be legitimated by seemingly closing the gap between the expectation of how public money *should* be spent and the actual experiences of how public money *is* (seemingly) spent (see Seabrooke 2007a: 796). In the focus groups, this legitimacy gap came out in two ways. First, participants consistently drew upon anecdotes of state overspending. These were typically mundane, such as how a nearby road had been unnecessarily repaved at great cost. But they had a wider point – especially considering they often followed conversations about state indebtedness. This was part of the narrative of austerity as almost a way of accounting for debt crisis by identifying some of the sources of state profligacy. Second, participants consistently identified with a *sense of group position* in an *abstract moral order*, in which the hard-working taxpayer was constituted in opposition to a morally undeserving rich and poor – both of whom are seen to be irresponsibly receiving redistribution from the taxpayer (Blumer 1958, Kidder and Martin 2012). There was a sense that 'taxpayers' money' was unfairly diverted to unnecessary projects and redistributed to the undeserving.



Taken together, this suggests that there was a gap between the expectations and experience of public finance with which the imperatives of the debt crisis resonated. This in turn helps explain austerity acquiescence: If one experiences the seeming redistribution of public money to support (a) wasteful and unnecessary spending, and (b) morally undeserving groups, then one will question the legitimacy of contributing further revenue through tax increases to reduce the deficit and be inclined towards accepting the inevitability of spending cuts in the context of a widely accepted debt crisis. In other words, these lived experiences of profligacy jarred against the normative expectations of prudence, creating a gap that spending cuts could indirectly narrow.

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From these three stylised aspects of the mood of the times – public life, sense-making, legitimacy gaps – an ideal-typical narrative of austerity emerged. Both states and households lived excessively. Households became indebted through being increasingly networked within global finance; states built up debt through wasteful spending and unfair redistribution to the undeserving rich and poor. Since the public life of crisis was relatively mundane, it represents a good time to restore the balance. The result is that ‘austerity’ is seen as a society-wide phenomenon, invoking both state and household to live within means after pre-crisis credit fuelled excesses. Cutting back public spending (through efficiency savings and welfare retrenchment) thus implicitly promises to make the life of the taxpayer fairer; ‘cutting back’ and living within means as a more general mindset, meanwhile, promises to escape the guilty excesses of the recent past by rediscovering the moral code of thrift and prudence.

Crucially, however, this austerity acquiescence is not reducible to interests or ideology. When justifying following the fiscal imperatives of the debt crisis, participants did not perform a cost-benefit analysis or attempt to maximise their utility. Instead, their justifications were firmly embedded within shared notions of morality and fairness that are not reducible to interest. Similarly, although the role of the media in disseminating information is undoubtedly crucial, the production of acquiescence cannot be reduced to the internalisation of a narrative passed down by elites. To be clear, the debt crisis narrative propagated by Coalition government elites was undoubtedly political and far from neutral. Yet I would follow Stuart Hall's (1979: 20) analysis of Thatcherism, and argue that the success of the idea of austerity 'does not lie in its capacity to dupe unsuspecting folk but in the way it addresses real problems, real and lived experiences ... It works on the ground of already constituted social practices'. As I show, in making sense of the age of austerity participants consistently drew upon norms and experiences (such as those surrounding debt, or the undeserving poor). In particular, there was a mood in the focus groups that there was a moral crisis, in that the UK had irresponsibly lived beyond its means in the pre-crisis years and now required some necessary asceticism to *reverse a moral decline* as evident in all aspects of society – but especially the very top and bottom parts. Part of this thesis, then, involves historicising these norms, experiences and moral crisis in order to highlight how these sources of acquiescence existed *prior* to the construction of a debt crisis. Consequently, we can say that the mood was already *receptive* to the idea of austerity.

In short, one reason austerity is a powerful and successful idea is because it resonates with the mood of the times. Since spending cuts can be justified via shared belief, austerity acquiescence is produced since the fiscal imperatives of the debt crisis are

conferred a degree of legitimacy. This argument is dependent, in turn, upon developing an everyday politics method that uses focus groups, and by disaggregating between spending cuts, fiscal consolidation and austerity.

### **The structure: outlining the thesis**

Chapters One, Two and Three review the relevant literature and outline the methodological argument and contribution of the thesis. Chapter One begins by outlining the context of the age of austerity, with a particular focus on the rise of financialisation, the unfolding of the global financial crisis and the politicisation of the UK's debts and deficits, and the perilous politics of fiscal consolidation. To make sense of this process we need a concept of crisis. After reviewing the literature on crisis and austerity, I suggest that exploring the social construction of the debt crisis can be just as fruitful as rejecting the debt crisis as a misrepresentation. Chapter Two draws on constructivist, cultural economy and Everyday IPE literature to build a framework for analysing how social constructions of crisis are conferred legitimacy by resonating with the mood of the times. Since legitimacy can be conferred via shared beliefs, Chapter Three argues that focus groups can offer rich and primary data in this vein. It justifies this method selection, and also disaggregates the concept of the mood of the times into the three parts briefly outlined in the previous section: public life, sense-making and legitimacy gaps.

Chapters Four, Five and Six roughly correspond to these three parts. Chapter Four starts by exploring the elite justifications for austerity, before surveying the public life of crisis in regards to critical events and the experience of focus group participants. Chapter Five begins by showing how focus group participants consistently narrated a debt crisis in which austerity was accepted through a strong moral sense that was

related to excessive indebtedness. It also reviews the alternative crisis narratives offered by participants. Chapter Six is dedicated to showing how focus group participants accounted for the state's indebtedness by drawing on anecdotes about state inefficiency or profligacy and placing themselves within a 'moral abstract order' that created the sense that 'the taxpayer' could gain from spending cuts. Chapter Seven then reviews the thesis thus far, before spending considerable time pushing beyond the focus group data in order to historicise the norms and experiences that underpinned the everyday narrative of austerity surveyed. Considerable emphasis is placed upon exploring the household analogy and the underserving poor in order to gain a wider perspective on austerity acquiescence. It is argued that a moral crisis is primary: austerity has been experienced as a necessary reversing of a moral decline. In the Conclusion, I summarise the argument and contribution of the thesis to political economy – with a particular emphasis on the status of crisis in political economy and the tentative distinction between spending cuts, fiscal consolidation and austerity. I end by exploring both the limitations and the potential for future research.

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## **Chapter 1. Contesting crisis: The disputed turning point for fiscal consolidation**

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The global financial crisis has had an undeniable impact upon how the UK's economy is governed. The downturn prompted, for instance, the largest government intervention into financial markets in living memory. The state's fiscal and monetary resources, whether direct bailouts or through quantitative easing, were required to shore up both confidence and balance sheets. Debates about financial regulation shifted arenas from the back to the foreground (Froud *et al.* 2012: 44), with the rising idea of macroprudential regulation significantly challenging and even rejecting efficient market theories (Baker 2013: 113). In other words, much change is and was afoot. This chapter focuses on one particular element of this change: the turn to fiscal consolidation. The chapter has two main aims, as reflected in the two-section structure. The first section provides an overview of the key events and factors that preceded and impacted upon fiscal consolidation, in order to both provide general context as well as to flag up elements that have a constituent and necessary part in the overall analytical narrative of the thesis. The second section reviews the academic

debates about the underlying causes, or turning points, for fiscal consolidation with the aim of carving out and refining the unique niche and potential contribution of this thesis.

In doing so, it poses an argument: crisis lies at the heart of the politics of fiscal consolidation. In particular, the debt crisis: the idea that since the UK had such an insurmountable and credibility-shattering fiscal deficit, fast and deep spending cuts were required. Without the invocation of a crisis, the large intervention seen here would not be possible. Understanding how the seemingly unsustainable fiscal deficit unfolded, then, is important. Many have gone further than this by seeking to demonstrate how the debt crisis is essentially a misrepresentation or a mere symptom of a different underlying disease (or crisis) that, if accepted, requires an alternative solution to fiscal consolidation. I conclude by questioning the utility of this disease-symptom distinction as a methodological means for achieving the analytical ends of this thesis, opening the space for a different conception of crisis that is not necessarily reducible to this binary.

## **1.1 The making of the age of austerity**

### **1.1.1 The tempestuous rise of finance**

There might be some people who argue that the name of this sub-section should, given the events of 2008 onwards, include a reference to both the rise *and fall* of finance. However, at the time of writing – 2014, with talk of another British housing bubble on the cards thanks in part to the Coalition’s ‘Help to Buy’ scheme – it is clear that making such an assumption would be rash (see Blyth 2013b). Nevertheless, this section provides a brief but necessary detour into the historical context of the 2008 economic downturn – in particular, the rise of so-called ‘financialisation’. This detour

is necessary for two reasons. First, to gain the fullest of understandings of the politics of fiscal consolidation, we need to, quite simply, examine the historical context leading up to the sub-prime debacle and the subsequent economic downturn. Fiscal consolidation, at least in the way it has specifically panned out in the sheer scale looked at here, would not have happened without the events that preceded it. Second, financialisation and the latter credit crunch provide a context that was consistently drawn upon by focus group participants when making sense of spending cuts. Therefore some basic background is required to fully elucidate this later analysis.

Colin Hay (2011) argues that, from the perspective of the UK, we need to carefully delineate between two interlinked contexts: (i) contagion from the 2008 U.S. sub-prime crash and resulting distress on the inter-bank credit system; and (ii) the implosion of the UK's 'Privatised Keynesian' growth model and related housing bubble. In both, 'financialisation' (e.g. Langley 2008, Finlayson 2009, Montgomerie and Williams 2009, Engelen *et al.* 2011, Krippner 2011, Callinicos 2012) – a general conceptual tool that seeks to make sense of 'the tempestuous rise of finance in contemporary capitalism' (Engelen 2008: 111) – is of central importance. Although a general term, financialisation is used here to refer to something quite specific: for it was the transformation of credit markets and the subsequent extension into, and impact upon, everyday life that made both the lending to American sub-prime borrowers and the 125% mortgages emblematic of Britain's own housing boom possible. Indeed, the mass liberalisation of credit that occurred throughout the thirty-years prior to the 2008 financial crisis helped fuel both the US and UK housing

booms and busts (Schwartz and Seabrooke 2008: 249-53, Watson 2008a: 293)<sup>1</sup>. A number of factors made this possible.

One key factor was the deregulation of the financial services that created the space for ‘innovation’ in new financial products and instruments. The most significant element of this for purposes here is ‘mortgage-backed securitization’ (Blyth 2010, see Friedman 2009, Seabrooke 2006, 2010b, Schwartz and Seabrooke 2008, Schwartz 2009, Thompson 2012), a common and relatively simple method for repackaging mortgages for secondary markets<sup>2</sup>. These instruments were often repackaged themselves into more complex multi-tranched ‘collateralised debt obligations’, which were made infamous for their role in the US subprime crash. This ‘securitization of securitization’ (Langley 2010: 81) process allowed banks to pass on the risks of mortgage lending by taking vast pools of securities and selling shares of the mortgage and interest payment streams to investors around the world (Friedman 2009: 131), while simultaneously refreshing capital for more loans (Schwartz and Seabrooke 2008: 249). The originator bank makes the majority of income from transaction fees, while the purchasers of the securities were mitigated from small amounts of mortgage-defaulters by, amongst other things, the large-scale and convoluted nature of the instrument (Schwartz and Seabrooke 2008: 249). Due to a number of regulatory

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<sup>1</sup> Throughout this discussion I draw on literature about both UK and US economies, something consistent in the wider debates about the financialisation of ‘Anglo-American’ capitalism (e.g. Langley 2008a).

<sup>2</sup> Mortgage securitization was a crucial part in the inexorable linking of international financial flows and residential housing in the pre-crisis growth model (Schwartz 2009: xiv). Understanding this link required thinking outside of the normal disciplinary boxes. As Wesley Widmaier (2009: 946) wryly observes: ‘Fifteen years ago, an article or book suggesting that US subprime mortgage standards might have implications for the health of the global economy would have likely to have encountered considerable difficulty in getting published in international relations (IR) or IPE journals’.



peculiarities<sup>3</sup> and intervention from the US state (Seabrooke 2006), mortgage-backed securities and similar products boomed with credit risks largely removed. A massive expansion into the sub-prime markets followed. Although the role of mortgage securitization is most well-known for fuelling the U.S. subprime crash, the UK mortgage market witnessed similar trends and a similarly debilitating bubble bursting (Watson 2008a: 249).

In combination with an existing predilection for homeownership (Smith 2008), this broad process of financialisation and increased homeownership had a number of important implications. With the housing market seemingly only going up, it meant that for many people asset price stabilisation became intimately intertwined with maximising one's life chances. Consequent state intervention to secure and strengthen the housing market, or to make it more accessible by facilitating credit, would be thus conferred a degree of legitimacy (Seabrooke 2006). It also helped create a considerable conservative constituency whose interests came to be bound up in the extension of policies that promised low inflation, low interest rates and low taxes (Schwartz 2008: 281). This meant the constitution of monetary conservatives in the UK (Watson 2008a). Although this meant an obvious increase in (and indeed a macroeconomic reliance upon) household indebtedness, the New Labour government attempted to reshape the social policy around the idea of 'asset-based welfare' (Finlayson 2009, Watson 2009b). These shifts were in turn dependent upon a marked

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<sup>3</sup> The main institutions involved in US sub-prime lending – Fannie Mae and Freddie Mac – are government-sponsored enterprises, which meant that under Basel capital adequacy ratios holders of securities from these institutions required less than half the reserves of non-government sponsored mortgage-securities. The incentive for these investments was increased further with the advent of 'Credit Default Swaps' which insured investors from defaults. Furthermore, Basel II gave credit rating agencies' evaluations, which famously rated sub-prime as AAA before the crash, a clearer and primary role in evaluating risk. Not that this necessarily mattered, since many investments of this nature were moved off the books through 'Special Investment Vehicles'.

qualitative shift in the way in which people conducted their financial lives (Langley 2008: 21-2). For Langley, this required the ‘re-assembly of everyday financial subjectivities and the re-making of financial self-disciplines’ (2008: 161). For Watson, the bank bailouts initiated by the Labour government must be seen within this context as an attempt to ensure asset-price stability (Watson 2013b) and to placate the panicked concerns of middle-class homeowners (Watson 2009a).

It was not just residential housing that was increasingly financialised. The boom in consumer credit markets helped ignite significant growth in consumer spending and borrowing in the context of increasing expectations of living standards and stagnating wages (Finney and Davies 2011: 1). Consumer credit came to be used in the UK as a means to extending the capacity for consumption (Dearden *et al.* 2010: 7), possibly to ‘maintain a historically constructed and politically significant standard of living’ (Montgomerie 2009: 19) in order to ‘keep up with the Joneses’ (McKay 2005). Both secured and unsecured credit were relatively ‘easy’ before the 2008 crisis, leading to certain expectations about the role of debt in everyday life that, as argued later, were problematised come the ‘credit crunch’.

The rise of finance needs to be placed within context regarding the fiscal pressures on the state. A popular perspective, looked in more detail below, argues that the rise of finance helped postpone (or provide a spatio-temporal fix for) the 1970s fiscal crisis of the state through providing both an alternative method of legitimating capital accumulation and of capital accumulation itself (Schäfer and Streeck 2013b). Although this policy regime was most likely fortuitous in origin (Krippner 2011), financialisation involved a trade-off with conventional welfare. With low taxation required for citizens to supplement the credit-fuelled consumer lifestyles both desired personally and required systemically, ‘permanent austerity’ (i.e. permanent welfare

retrenchment) was required given dwindling revenues (Pierson 1998, Offer 2003). These pressures were exacerbated by the new imperatives of globalisation, which required, from the New Labour government in particular, credible public finances to assuage global capital markets (Watson 2013b: 8-10).

Mark Bevir (2007) makes the useful distinction between the ‘delivery stage’ and ‘tired stage’ of the New Labour project. The first New Labour government can be characterised as the delivery stage, in which they paid heed to these imperatives – most notably through their fiscal rules under the Code for Fiscal Stability (see Burnham 2001, Clift and Tomlinson 2006, Hay 2006b) – resulting in a fiscal surplus. However, they increasingly tried to have their cake and eat it, by significantly increasing investment in public services without adequately raising more revenue. This ‘tired stage’ involved giving up all pretence of ‘trying to keep the public finances on an even keel’ (Watson 2013b: 18), thus leading to a serious deterioration of their previous surplus into a deficit (Thompson 2013: 6-10, see also Figure 1.2 below). Despite this, the Labour government generated a baseline economic and fiscal credibility throughout the majority of their administration through consistently meeting the self-imposed ‘sustainable investment rule’ and ‘golden rule’ from 1997-8 to 2006-7<sup>4</sup> (Chote *et al.* 2010). Nevertheless, this strategy would have serious repercussions following the economic downturn.

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<sup>4</sup> This is because the rising expenditure was used to finance investment, particularly in the NHS, rather than funding the day-to-day running costs of the public sector (Chote *et al.* 2010: 1, Thompson 2013: 8).

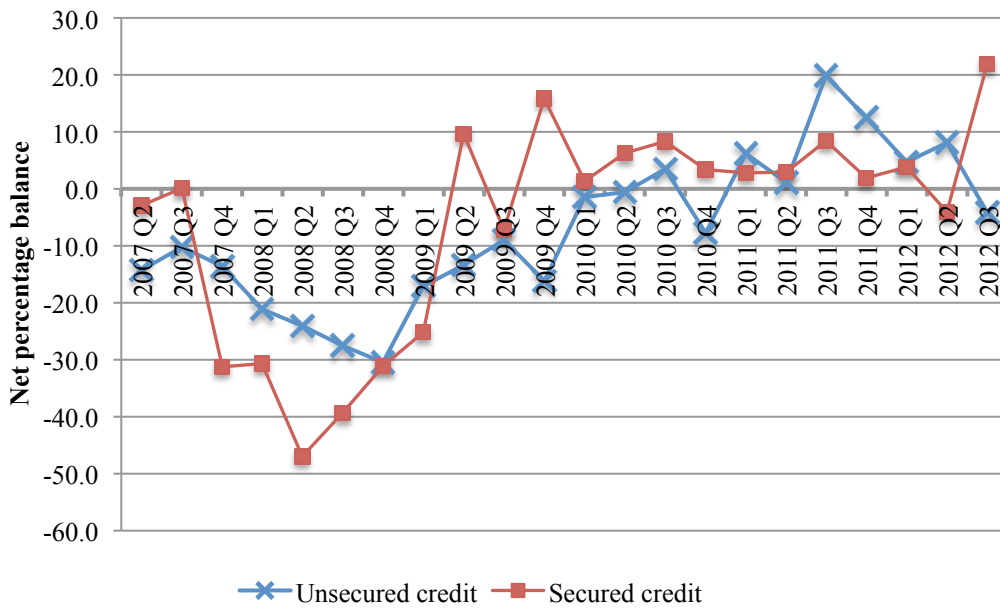
### 1.1.2 The politicisation of debts and deficits

The 2008 credit crunch follows the classic story of a bursting bubble and subsequent financial crash<sup>5</sup>, exacerbated by the increasingly interdependent and complex nature of the financial system. The bursting of the US housing bubble due to mortgage defaults and delinquencies (see Mayer *et al.* 2009) led to an estimated write down of hundreds of billions of dollars, when simultaneously the stock market value of some major banks was more than halved (Brunnermeier 2009: 77). Essentially, as financial institutions panicked about the value of these assets – a large component of their balance sheets – credit froze, beginning a period of serial deleveraging (Blyth 2010: 22). Since UK financial institutions had large amounts of these assets, the UK was always likely to be susceptible to contagion from the sub-prime crash (Hay 2011: 14). The credit crunch itself had two sides: the seizing up of the inter-bank lending system in 2008 and global downturn; and the subsequent impact upon the credit conditions for households and businesses (see Figure 1.1).

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<sup>5</sup> On a very general level, the same pattern of bubble and downturn tends to emerge (see Kindleberger 1978, Blyth 2010). First, and for whatever given reason, novel opportunities for profit while arise in a particular asset class (such as, for our purposes here, residential property). This opportunity combined with general economic stability leads to a perceived relatively risk-free environment in which credit is pursued to make an easy profit. As the method gains popularity and more join, the price of the asset increases, as does the amount of credit required. The quantity and price of that asset, and the amount of debt continue to spiral upward, until a tipping point in which the asset is not deemed to be worth the going price. At this point, most if not all investors attempt to escape and sell all at once, leaving the price of that asset spiralling downwards. If severe enough, market confidence and trust dries up due to mass deleveraging, moving events on from a panic to a crash.

**Figure 1.1 Banks' perceptions of change in availability of credit to households over previous three months**



Source: Bank of England Credit Conditions Survey 2012 Q3

It is the first of these two sides that had the most immediate impact, as many major financial institutions struggled for solvency. Although the run on and subsequent nationalisation of UK bank Northern Rock (looked at in more detail in Chapter 4) was the ‘first sign that this was no ordinary crisis’ (Gamble 2010: 4), the failure of US investment bank Lehmann Brothers in September 2008 is generally accepted as the turning point in the move from a credit crunch to a global financial panic. Due to its reliance on finance – before the crisis, the financial industry provided a quarter of all British tax receipts – it was perhaps unsurprising that government revenues fell by 18.1 per cent between 2008 and 2009 (Blyth 2010: 27). Given the impact of the credit crunch on the credit-fuelled consumer spending and housing bubble that UK growth depended on, the deepness of the 2008-9 recession is unsurprising. These events prompted the largest-ever bail-out of the financial sector, and a deep and prolonged global recession advanced by a further freezing-up of inter-bank lending (Hay 2011:

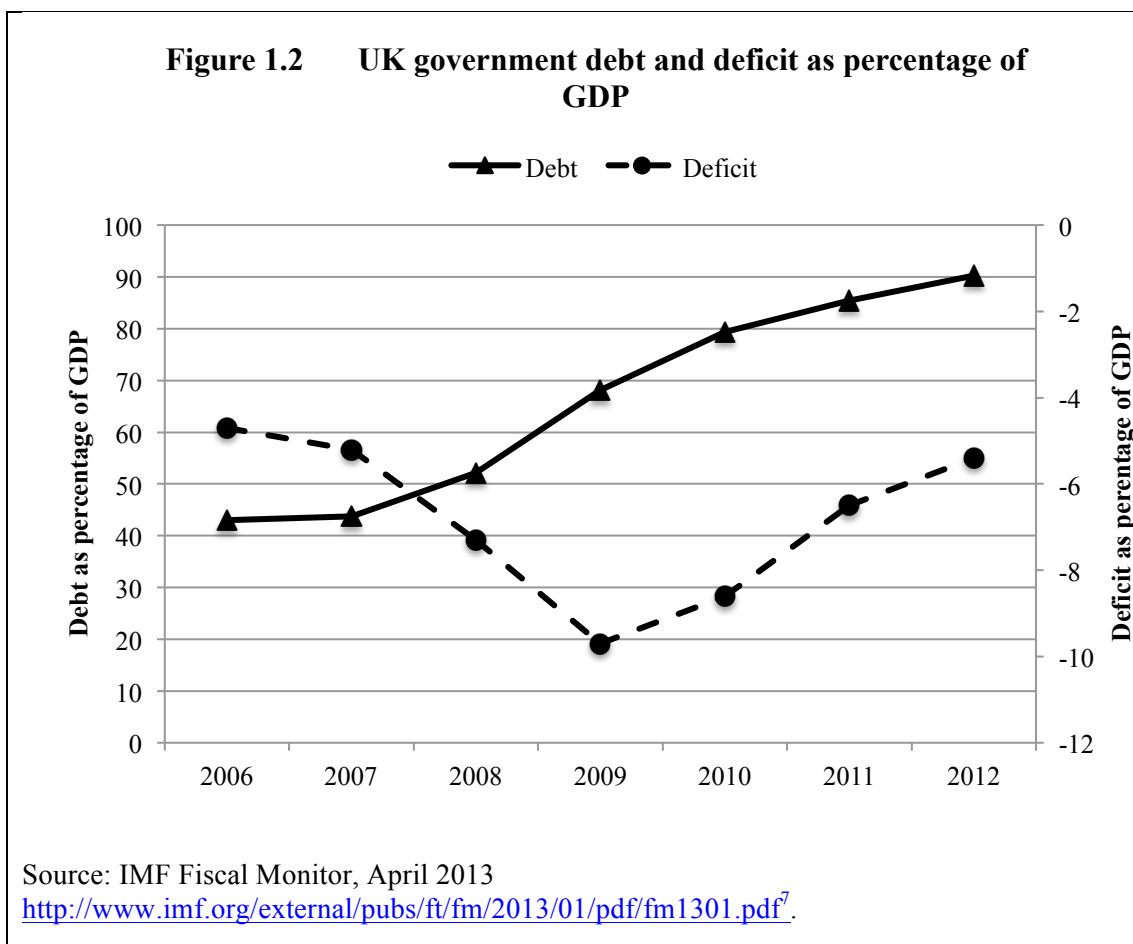
13). As Table 1.1 highlights, the UK dedicated a staggering amount of public funds to securing the financial industry through bailouts, nationalisations and quantitative easing. In October 2008, the Labour government announced a £20 billion fiscal stimulus (including, most notably a 2.5% cut in VAT, a 45% tax rate on earnings over £150,000 from 2011, and a 0.5% rise in National Insurance contributions from 2011)<sup>6</sup>. This supposed ‘resurrection’ and ‘rediscovery’ of Keynesianism (Lee 2009: 29, Marsh 2009: 124, Burnham 2010: 37) was short-lived. Unsurprisingly, this recession and subsequent bank bailouts had large consequences for the British state’s finances.

Capital Injections	Asset Purchases and lending by Treasury	Asset Purchases and Swaps by Central Bank	Guarantees	Central Bank Refunding by Treasury	<b>Total</b>
6.4	13.8	28.2	17.2	12.831	<b>78.4</b>
(Source: Blyth 2010: 26)					

The extent to which Britain’s debt and deficit became politicised is, in the briefest of hindsight, both astounding and unsurprising. It was only in the March 2008 Budget that the Treasury confidently asserted that ‘the economy is stable and resilient, and continuing to grow, and that the Government is meeting its strict fiscal rules for the public finances’ (HM-Treasury 2008: 1). The Treasury even projected the UK to be running a budget *surplus* by 2012-3 (HM-Treasury 2008: 27). Given the relative optimism of the Treasury, it is worth keeping in mind what events had already unfolded by this point. While Lehman Brothers was still solvent, Northern Rock had been brought into public ownership and US bank Bear Stearns was just in the process

<sup>6</sup> Source: BBC News, [http://news.bbc.co.uk/1/hi/uk\\_politics/7745340.stm](http://news.bbc.co.uk/1/hi/uk_politics/7745340.stm), accessed September 3<sup>rd</sup> 2013.

of collapse (Thain 2009: 436-7). The fiscal deficit was not on the agenda. There was no looming debt crisis. The October 2008 Pre-Budget Report, which coincided with deteriorated public finances (see Figure 1.2), had a significantly different tone. How did the deficit rise so quickly?



In the last sub-section we saw how New Labour’s tired stage resulted in a pre-downturn fiscal deficit. This suggests, perhaps controversially, that the UK was running a structural rather than cyclical deficit<sup>8</sup>. This is significant as it highlights how both systemic imbalances and political mismanagement were important – alongside the recession – in paving the way for the budget deficit. This first stage of

<sup>7</sup> Note: ‘Debt’ refers to General Government Gross Debt as Percentage of GDP, ‘Deficit’ refers to General Government Cyclically Adjusted Balance as Percentage of GDP.

<sup>8</sup> Since many contestable assumptions have to be made about potential growth, making this distinction can be problematic (Thompson 2013: 6-7).

fiscal deterioration was accompanied with consistently optimistic forecasts for tax receipts in every year from 2001 onwards with the exception of 2006 (Thompson 2013: 7)<sup>9</sup>. Nevertheless, it is clear that the deficit did significantly worsen come the downturn – the second stage of fiscal deterioration. As with any recession, automatic stabilisers will exacerbate any existing fiscal weaknesses especially when a significant segment of tax revenues come from a temporarily weakened finance industry. There is some debate about how the bank bailouts impacted upon the UK's fiscal situation. Although Table 1.1 above shows that the UK committed a staggering 78.4 percentage of GDP to bailing out and supporting the financial sector, others point out that these financial interventions are not included on the budget balance sheet (Thompson 2013: 7), while Robert Chote (2009) demonstrates how including bank bailouts only accounts for less than 10% of UK public sector net debt.

In the backdrop of these deteriorating finances, the October 2008 Pre-Budget Report was a significant turning point in the unfolding of the age of austerity. Due to these worsening conditions, the fiscal rules were 'temporarily suspended' until 2015/16. In their place the government set a 'temporary operating rule', which required the government to reduce the cyclically adjusted budget deficit year by year once the economy emerges from the downturn (Hodson and Mabbett 2009: 1053, Sawyer 2012: 206). Consequently, mild fiscal consolidation was proposed. During the 2009 Queen's speech, the Labour government proposed to legally enshrine a requirement to halve the deficit over the life of the next parliament (Bailey and Bates 2012: 205). The final Labour government Budget of March 2010 set out proposals to reduce the

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<sup>9</sup> Interestingly, this argument of institutionalised optimism is consistent with some of the views at the time (e.g. Economist 2005) and was, of course, a central and justified motivation for creating the Office for Budget Responsibility.



structural budget deficit over a five-year horizon through cuts worth £11bn (Sawyer 2012: 206).

Meanwhile, the Conservative party completely abandoned their commitment to match Labour's spending, and rebuilt their entire political strategy around restoring, in their words, 'fiscal responsibility'. Labour lost the 2010 election, with the Conservatives gaining a minority victory. The Coalition Agreement, signed by the Conservative and Liberal Democrat parties in May 2010, recognises 'that deficit reduction, and continuing to ensure economic recovery, is the most urgent issue facing Britain' (Cabinet Office 2010: 15). The emergency budget in June 2010 proposed an *additional* £40bn of cuts per year (HM-Treasury 2010: 2)

In the same month, the G20 issued its increasingly infamous communiqué following the meeting in Toronto. For Blyth (2013a: ix), this marks the moment in which the age of austerity became established, and a proto-Keynesianism was firmly discarded for a more orthodox view. These seemingly disparate nations came together to announce the need for sustained austerity. More specifically, it called for 'growth friendly consolidation' because debts and deficits constrain economic growth and that state borrowing can crowd-out the private sector (see Lysandrou 2013).

### **1.1.3 The politics of spending cuts**

Since it is much harder to generate legitimacy for providing goods and services than it is to take them away, spending cuts do not make for simple politics. Two difficulties are particularly relevant here. First, there are tensions with governing in a democracy. Spending cuts require elected officials 'to pursue *unpopular* policies that must withstand the scrutiny of both voters and well-entrenched networks of interest groups' (Pierson 1996: 144). Since politicians require continued ballot-box support from the

electorate, they may be unwilling to impose clear losses on the citizenry in the form of reduced services and benefits. This dilemma had led some to question whether liberal democracies have the audacity to meet clear fiscal pressures since the democratic political imperative is viewed as 'being at odds with the fiscal responsibility imperative' (Posner and Blöndal 2012: 12). As a consequence, it is alleged that there are few incentives to introduce fiscal consolidation as leaders are more likely to find reasons to delay and deny in the name of self-preservation (Posner and Blöndal 2012: 12). According to some, such distorted incentives create a 'shortsightedness', derived 'from concerns about electoral prospects', which potentially leads to 'insufficient attention to [the] longer-term requirements' of fiscal sustainability (Kumar *et al.* 2009: 14). Those politicians that decide to accept this fiscal responsibility imperative face the threat of serious challenges to their legitimacy.

Second, there are serious questions over whether enforcing the sort of wide scale fiscal consolidation proposed is even possible. This might seem like an odd statement, since intuitively we might assume that it is the creation of new policies and programmes that typically require formidable administrative capacities and political capital (Pierson 1994: 37). But as Pierson argues, previous policies can create long term commitments that lock in particular paths of change and continuity that are hard to reverse (1996: 153). This path dependency can be split into two constraining processes that are at the heart of the politics of retrenchment. First, the creation of past policies may bring about unintended elaborate *policy* networks of interests, the dismantling of which are seen as very costly thus inhibiting a substantial change from the existing policy path (Pierson 1994: 42). Sometimes the political cost of ending even a particularly costly programme or policy may outweigh its continuation. Second, and related to the previous paragraph, the creation of past policies may bring

about unintended elaborate *public* networks of interests. To put it simply, it is harder to take things away from people when they are already accustomed to certain services and benefits. For example, it is far more politically straight-forward to introduce a TV licence fee waiver for pensioners than it is to later remove that benefit. The TV licence fee waiver is thus locked in. This locked-in effect is reflected in the recent literature on ‘fiscal democracy’ that demonstrates how Western states’ ability for discretionary spending is increasingly declining (e.g. Streeck and Mertins 2010, 2013, Genschel and Schwarz 2013).

In regard to the first of these problems, politicians tend to insulate themselves behind technocratic rules and delegate decision-making to others in an attempt to sidestep the inevitable conflict between fiscal responsibility and democratic politics (Posner and Blöndal 2012: 12). These dynamics are well covered by a range of literature on depoliticisation (e.g. Burnham 2001, Flinders and Buller 2006, Jenkins 2011) and blame-shifting (e.g. Weaver 1987, Hood 2002b). Together, we can take these processes as ‘blame displacement’. The aim of blame displacement is to seemingly off-load responsibility from the political arena, typically through either delegating some decision-making via a principal-agent relationship or by self-imposing rules that constrain otherwise discretionary policy-making. The aim is to close down debate and limit the political possibilities around a certain issue (i.e. depoliticisation) or deflect blame for difficult decisions away from elected politicians (i.e. blame shifting).

It is, once again, this scenario in which crisis comes to the fore. It is the sense of emergency and urgency engendered by crises that can discount the tensions between the democratic and fiscal responsibility imperatives. While spending cuts in the name of deficit reduction are very likely to impose losses upon many, these same people may ‘also realise immediate gains by the rescue of the broader economy that a crisis

has made into a compelling and immediate concern' (Posner and Blöndal 2012: 20). In this way, a crisis can help turn a problem of the government into a problem of the broader public, thus legitimating the imposition of losses if some sort of normally ambiguous future disaster is averted.

Conventional economic wisdom tells us that incumbent politicians in liberal democracies will only turn to austerity when there is sustained market pressure (e.g. rising bond prices) and ensuring debt crisis to blame (Posner and Blöndal 2012: 12). Despite being one of the forerunners in the post-2008 turn to austerity, the UK has suffered relatively little market pressure to cut its budget deficit and reduce debts. This is in contrast to harder-hit Eurozone states that have received discernible market pressure for a credible deficit reduction plan through rising government bond yields. Rising bond yields provide incumbent politicians with shared and relatively incontestable public evidence that can be used to build to a consensus around a notion of the state in crisis<sup>10</sup>. With such market pressure in the UK lacking, the coalition government has invoked the threat of market pressure and the possibility of 'crowding out' if the deficit and debt are not adequately reduced. This still resembled a debt crisis of sorts, and, as Chapter 4 explores in detail, was certainly spoken as such.

The Coalition government has used other blame displacement tactics. The 'coalition agreement', signed by the Conservative and Liberal Democrat parties in May 2010 was, for example, itself an important blame displacement strategy, with both parties agreeing to 'recognise that deficit reduction, and continuing to ensure economic

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<sup>10</sup> As Simona Pino (2012) has tentatively argued, this indeed proved the case in legitimating Monti's fiscal consolidation plan in Italy – where rising bond yields acted as the impetus behind the necessity of intervention and the imposition of an anti-democratic technical government itself.

recovery, is the most urgent issue facing Britain' (Cabinet Office 2010: 15)<sup>11</sup>. The presence of two opposition parties united on an issue of national interest in a moment of emergency is a powerful image, and a classic blame displacement tactic (Pierson 1996: 147). Another example is how many decisions about what to cut have been passed on to the local level, which deflects 'some of the criticism away from government and towards local authority and services management' (Burnham 2011: 502). The Conservatives within the coalition can even displace blame for this blame displacement, as it were, by pointing out their long standing commitment to giving local councils more autonomy in the name of localism, empowerment and the 'Big Society' (see Lowndes and Pratchett 2012: 25). The creation of the Office for Budget Responsibility has also been cited as an example of blame displacement (e.g. Macartney 2011: 198, Bruff 2014: 10).

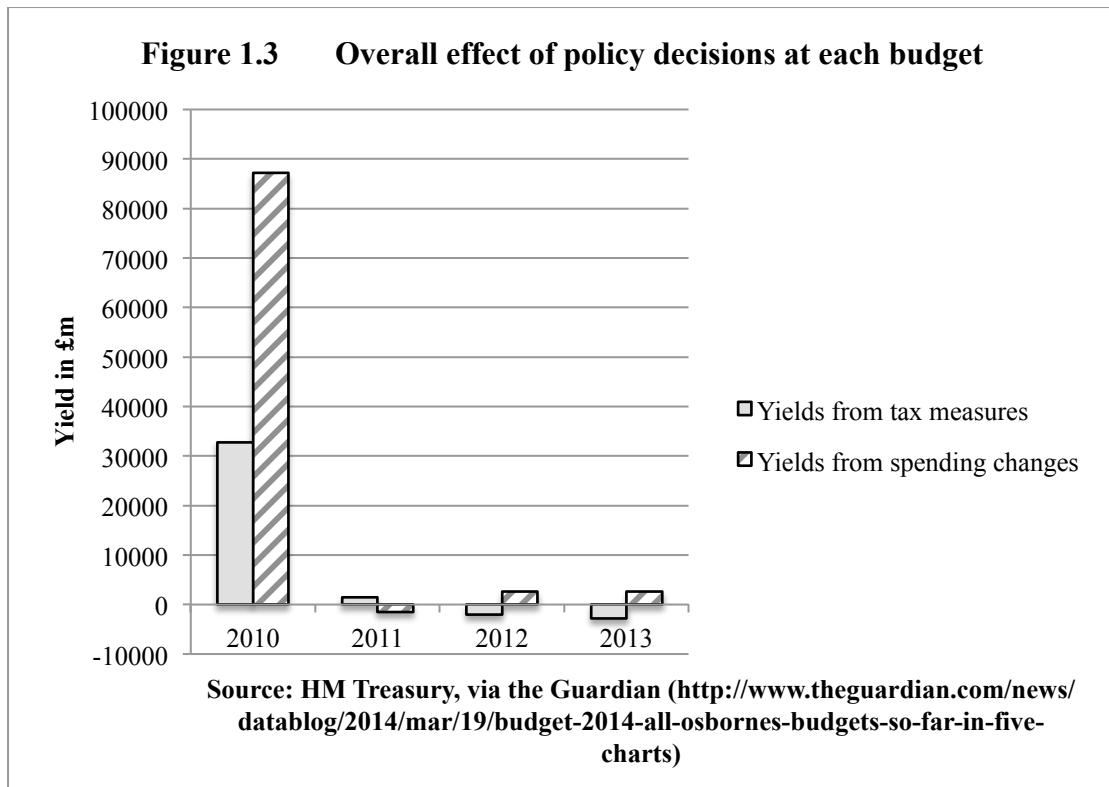
It is, of course, extremely difficult to gauge the success or efficacy of blame displacement strategies. Resistance to austerity has, however, been relatively limited in the UK. Although there hasn't been the mass public disruption seen in some Eurozone periphery countries, there have been relatively high-profile grassroots action-oriented protests – such as those organised by UK Uncut and Occupy London – which sought to highlight opposition to capitalism through disruptive and 'prefigurative' occupations (Bailey and Bates 2012: 208). Although David Bailey (2014) has shown that the global financial crisis has led to a demonstrable increase in the quantity of political protests, others argue that the global financial crisis and age of austerity has been characterised by a relative passivity – or even a 'clamouring for neoliberal austerity' (Konings 2012: 610).

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<sup>11</sup> Crucially, the agreement ties the Liberal Democrats to the Conservative fiscal consolidation plan. Strategically speaking, if key Lib Dem actors change their mind over the primacy of fiscal consolidation, they would put the stability of British politics and, more importantly, their first position of parliamentary power in their history at stake.

Invoking the second of the difficulties in the politics of spending cuts, one reason resistance may have been relatively limited is that spending cuts take considerable time to filter down. The planned cuts to spending are undoubtedly large, with the plan as of 2011-12 to cut public services in real terms for seven years in a row – in recent history, the UK has never cut by this measure for more than two years in a row (Emmerson *et al.* 2012: 68). Yet what immediate impact these have and will have is hard to discern.

For one, it is becoming clearer now that the spending cuts were almost exclusively concentrated in the first 2010 emergency budget. Using data from the Treasury, *The Guardian* calculated the cumulative estimated effect of the policy decisions over the following five financial years after the budget. Figure 1.3 shows how the June 2010 emergency budget was essentially one short and sharp bout of austerity, followed by just very modest cuts. Osborne may have decided to change tack after being spooked following heightened criticisms that the speed and depth of the cuts were an impediment to recovery but felt pressured to maintain the talk of austerity to avoid the perception of u-turning. Alternatively, following the 2010 election, Osborne may have realized that the legitimacy for spending cuts would never be higher, and that one short and sharp austerity budget would generate credibility in bond markets.



Furthermore, when cuts have actually been budgeted in Whitehall, this does not instantly filter down to ground level. As an Institute for Fiscal Studies report points out, although 73% of planned tax increases were implemented by 2011-12, only 12% of the planned total cuts to public service spending were implemented (Emmerson *et al.* 2012: 47). Perhaps unsurprisingly, cuts to public investment (34% of proposed by 2011-12) were the easiest (Emmerson *et al.* 2012: 68). Despite the understandable uproar about the cuts to welfare benefits (such as the ‘bedroom tax’), only 12% of planned cuts to welfare spending had been implemented by the end of 2011-12 (Emmerson *et al.* 2012: 68). These welfare reforms are, however, likely to have a pernicious impact by institutionalizing policies that harm those of working age – particularly women and families – which will be exacerbated by the restructuring of the NHS, social care, education and all benefits apart from pensions (Taylor-Gooby 2013).

## Summary

One cannot fully grasp the age of austerity without invoking crisis. The imperative of fiscal responsibility is at odds with the democratic imperative since imposing losses on the public through spending cuts is the only credible way to consolidate. In this scenario, governments require a debt *crisis* to legitimise spending cuts as for the good of the country as a whole. Academic debates, meanwhile, mirror some of the issues discussed in this overview. The political economy literature on fiscal consolidation typically disputes ballooning debts and deficits as a debt crisis *per se*, instead recasting them as mere symptoms of a different underlying *crisis*. The next section reviews and critiques five alternative accounts of the turning point for fiscal consolidation.

## 1.2 The turning point for fiscal consolidation

This section offers a review of the literature on fiscal consolidation. Each of the five crisis theses reviewed seek to essentially reject the direct imperatives and narrative of the debt crisis by recasting the rise of state debt and the widening fiscal deficit as a mere *symptom* of a different *disease* or underlying crisis. After reviewing five theses, I conclude the section by questioning the usefulness of viewing crisis through this symptom-disease distinction for answering the austerity acquiescence puzzle of this thesis.

### 1.2.1 Five theses on austerity and crisis

#### *Financial crisis*

Many accounts of austerity start with the global financial crisis of 2008. The weakest of these accounts typically begin by ambiguously asserting that the need to address the UK's fiscal deficit 'occurred due to the global financial crisis and the UK's



decision to nationalise several banks rather than see them collapse’ (Lowndes and Pratchett 2012: 23). More detailed accounts typically begin with financialisation. King *et al.* (2012), for instance, start their account with how a crisis of financialisation led to emergency monetary and fiscal stimuli as well as bank bailouts. The resulting ‘high level of sovereign debt was, to a large extent, attributable to bank bailouts and their economic consequences’ (King *et al.* 2012: 2). These accounts emphasize how the failed financial industry was saved by the state, which then had to take first the burden and then the blame: the ‘seriousness of the 2008 crash commanded a surge in state intervention, but, once collapse had been averted, the default position was re-established’ (Callinicos 2012: 66). Matthew Watson (2014), meanwhile, traces how a crisis of economics – as evident in the performative role of a certain kind of economics in the subprime crash – has been alleviated thanks to the emergence of the debt crisis narrative.

Mark Blyth’s (2013a) analysis reflects these arguments in a more substantiated fashion. ‘The crisis’, according to Blyth, ‘has almost nothing to do with states and everything to do markets’ (2013a: 7, 22, 53). He backs this up with two arguments. Before the crisis, the first argument goes, finance was built around particular ‘instruction sheets’ (i.e. ideas) about how the economy can and should work which led to risky financial practices that culminated in the subprime debacle. However, through bank bailouts, the buck was passed onto the state – an unlucky guarantor who deserved no ill fate, but who is now being blamed for everything. The second argument is that ‘the real reason we all have to be austere’ (2013a: 87) is because without the option of inflation or devaluation (due to the design of monetary union), the only way the troubled Eurozone nations can deal with their massively

overleveraged banks is to deflate their economies through cutting spending (see also Boyer 2012).

These two arguments form the basis for Blyth's persuasive case for recasting fiscal consolidation as essentially dangerous because it is a potentially fatal misdiagnosis of what the true problems are. To extend the analogy, we therefore risk providing sick economies with medicine that only target the symptoms and not the causes or underlying disease. Consequently, the only outcome is long-term pain. In Blyth's own words: 'This is a banking crisis first and a sovereign debt crisis second. That there is a crisis in sovereign debt markets, especially in Europe, is not in doubt. But that is an effect, not a cause' (2013a: 7). The main problem with Blyth's account, for our purposes here, is that the explanations he offers for why we all have to be austere do not add up for the UK. The UK has fiscal and monetary autonomy, but a large fiscal deficit that existed, in part, prior to the subprime debacle and later recession. Despite these weaknesses, it still confidently explains austerity simply as one chain in a series of contagion that is ultimately accountable to problems in finance.

#### *Growth crisis*

Although the rise of finance and the subprime meltdown is of crucial importance as a trigger in this growth crisis thesis, the crisis or disease is instead to be found in the dominant British economic growth model. Colin Crouch's (2008, 2009, 2011) account of the rise and (potential) demise of the 'privatised Keynesian' regime is crucial for understanding this perspective. *Public* Keynesianism is best represented in the post-war consensus system of neo-corporatism that came under attack and lost intellectual credibility in the late 1970s. One of the cornerstones of public Keynesianism involved running a fiscal deficit, when necessary, to stimulate demand.

However, under *privatised* Keynesianism other actors, especially households and consumers, instead take on the debt. The main motors for this were ‘the near-constant rise in the value of owner-occupied houses and apartments along-side an extraordinary growth in markets in risk’ (Crouch 2008: 476).

Colin Hay (2011, 2013a, 2013b), while building on Crouch, prefers the term ‘Anglo-liberal growth model’ to describe the ‘debt-financed, consumer-driven growth ... model that has sustained the UK economy since the early 1990s’ (Hay 2011: 1). For reasons of electoral expediency New Labour institutionalised a ‘low interest rate–low inflation equilibrium’ (Hay 2011: 5), which when combined with new financial instruments such as securitization, created the perfect storm for a significant expansion of residential housing and the beginning of a structurally-dependent recession-triggering asset bubble<sup>12</sup>.

For Hay, this crisis of Britain’s Anglo-liberal model may have reflected the subprime debacle unfolding at the same time in the US, but the UK’s recession can not be reduced to contagion from this. Hay’s key counterfactual claim is that there would have been a recession without the contagion from the subprime debacle. This claim is absolutely crucial. Hay makes a distinction between two sources of the recession. While the first was *exogenous* contagion from US banks due to particular exposure in British financial institutions, the second was an *endogenous* mechanism ‘peculiar to the Anglo-liberal economies and concerns the relationship between monetary policy, the housing market and aggregate domestic demand’ (Hay 2011: 14) – i.e. the bursting of the housing bubble on which the UK economy was so dependent. This

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<sup>12</sup> While this growth model or housing bubble was not intentional, its continued stoking was decidedly political – whether ensuring the continued inflation of the housing market was a given (Hay 2009), or using housing as the basis for a new and decidedly ‘Third Way’ asset-based means to a welfare end (Watson 2008, Finlayson 2009).

distinction allows Hay to argue that the crisis was due to the endogenous pathologies of the growth model and logically subsequent asset bubbles. Austerity is thus a ‘dangerous idea’, as it is for Blyth’s ‘market crisis’, because it fundamentally misdiagnoses a ‘growth crisis’ for a ‘debt crisis’. Instead of blaming and restructuring the state, Hay argues, we should focus our attentions on restoring growth through the formulation of a new model that does not replicate the endogenous failures of the pre-crisis Anglo-liberal growth model.

#### *Fiscal crisis*

Other scholars, however, have less trouble attributing the fiscal deficit and debt crisis to the state. As Helen Thompson’s (2013) empirically rich and conceptually nuanced analysis demonstrates, the UK’s troubles are, at least in part, very much down to running a pre-crisis budget deficit, which was then exacerbated – not caused – by bank bailouts and automatic stabilisers (on the latter see also Sawyer 2012: 206). Thompson explains the pre-crisis fiscal deficit as a result of the ‘political context of Labour’s electoral predicament in the post-Blair years’ (2013: 9), which while undoubtedly important unfortunately ignores the more long term fiscal and welfare trade offs in democratic capitalism.

Wolfgang Streeck and his co-authors (Streeck 2013, Schäfer and Streeck 2013a, Streeck and Mertins 2013), however, take the long (fiscal) view and argue that Western democratic states generally have something akin to a long-burning budgetary crisis. As Schäfer and Streeck explain (2013a: 3), while ‘the fiscal crisis of today’s rich democracies became apparent only after 2008, it has long been in the making’. For the past four decades or so, the majority of OECD states have ‘had to borrow money to cover a chronic gap between public expenditure and public revenue,

resulting in a steady increase in public debt' (Schäfer and Streeck 2013a: 4). It is argued that in response to the crises of the 1970s, an increasingly deregulated and unequal democratic capitalism was legitimized through tax cuts and a proliferation of easy credit to compensate citizens for low growth and stagnating wages (see also Cameron 2006: 242). These changes led to both increasing public and private debt. The global financial crisis brought an end to these conditions, and with it the seemingly necessary consolidation of public finances. This is the price 'governments paid for their inability to prevent the advance of liberalization, or for their complicity with it' (Schäfer and Streeck 2013a: 17).

In this regard, this debate resurrects the tradition of classical 'fiscal sociology' (see Block 1981, Campbell 1993) – in particular, James O'Connor's (1973) Marxist classic *The Fiscal Crisis of the State*. O'Connor (1973: 6) starts from the premise that the capitalist state must fulfil two basic contradictory functions of accumulation and legitimisation:

This means that the state must try to maintain or create the conditions in which profitable capital accumulation is possible. However, the state also must try to maintain or create the conditions for social harmony. A capitalist state that openly uses its coercive forces to help one class accumulate capital at the expense of other classes loses its legitimacy and hence undermines the basis of its loyalty and support.

To sustain its on-going programme of accumulation, the capitalist state has to legitimise itself through the continued expansion of welfare programmes to dampen unrest – an expense that the state cannot afford without compromising the conditions for capital accumulation itself. The result is a fiscal crisis of the state, which is unable to sustain its basic functions in lieu of these basic contradictions. From this perspective, the underlying turning point for austerity was the breakdown in the

solution to the (perhaps systemic) fiscal crisis of ‘late-capitalism’ (see also Habermas 1976, Krippner 2011, Lodge 2013).

### *Capitalist crisis*

A more radical set of explanations seek to reject the debt crisis as a symptom of a crisis in the very social relations that constitute capitalism. Of course there is a multiplicity of crisis theses that fall under this broad Marxist church, and they range from the polemical to the exhaustively empirically rich. Hugo Radice (2011), who leans closer to the former of these two poles, argues that cuts are an attack on the living standards and lives of workers to preserve the interests of the ruling classes. Radice (2011: 126) talks of the ironies of responses to the panic and downturn – socialism for the rich and austerity for the poor – which is also invoked by Burnham (2014). Burnham cites the austerity measures as one moment in which depoliticisation – an economic policy strategy that removes the politically contested nature of governing – has ‘formed the lynchpin of economic policy’ (2014: 197). Forced to deal with the crisis-ridden nature of capitalism, ‘state managers’ use depoliticisation strategies to avoid a political crisis in response to necessary imposition of austerity on to social relations in order to preserve the circuit of capital.

One major blindspot in Burnham’s analysis is an inability to explain why the crisis tendencies in capitalism arose here and now in this specific time period and why the state has become indebted at this particular juncture. This may be down to a general reluctance amongst Marxist scholars to attribute these crisis symptoms to a crisis of neo-liberalism or of financialisation (for an exception see Callinicos 2012) since such a diagnosis implies that only a specific manifestation of capitalism is in crisis, therefore soliciting different and altogether less radical solutions.

With such concerns at the forefront, Andrew Kliman's (2011) work shows how the debt crisis is a symptom of an underlying crisis of capitalist production. Kliman starts by observing how capitalism has a tendency for a falling rate of profit that is counterbalanced by the periodic destruction of capital that recreates the capacity for profit. During these booms and busts, states have institutionalised a number of buffers to prevent a legitimisation crisis when the destruction of capital significantly harms and radicalises the population. The softening of this process of destruction means profits are lowered, leading in turn to less capital accumulation, less investment and stale growth. In order to prop up profits states intervene to prop up benefits by, for instance, cutting corporation tax that in turn places significant fiscal and budgetary pressures on the state itself. Thus, the debt crisis is a mere symptom of a deeper disease of capitalist production.

#### *Social crisis*

The 'Broken Britain' *social crisis* thesis is a bit of a departure from the previous theses and is not as obviously imbricated within the academic debates about austerity. This thesis is not really put forward by political economists. It also differs from the others in that it is not underpinned by an economic mechanism of some kind. The political economy aspects of this thesis are, then, vague and far from obvious and subsequently require some teasing out. Indeed, it is primarily a moralised and cultural critique that would fail to stand up to even the smallest economic scrutiny. In this sense, it closely resembles the government's narrative of austerity, which itself is looked at in more detail later. However, I aim to show it is still important to consider in this context.

This social crisis is often conjured through the notion of ‘Broken Britain’: a condition of serial and interlinked social pathologies – family breakdown, worklessness, antisocial behaviour, personal responsibility, out-of-wedlock childbirth, dependency – caused by behavioural problems and family breakdown (Slater 2013: 1). The Broken Britain narrative, which has been the main public justification for the sweeping (and arguably damaging) changes to welfare, originated in the publications of the current Work and Pensions Secretary Iain Duncan Smith’s think tank *Centre for Social Justice* (Slater 2013: 3). Duncan Smith’s ‘Social Justice Policy Group’ – commissioned by then-new Conservative leader David Cameron in 2007 – reported that an ‘underclass’ lived a life of dependency, addiction, debt and family breakdown, supported by a ‘mentality of entrapment, where aspiration and hope are for other people, who live in another place’ (Finlayson 2010: 25). It is perhaps unsurprising that this narrative has come under much criticism, especially for producing a distorted picture of poverty in the UK (Slater 2013).

What matters for our purposes here is the purported sources of this corrosion of social life: the excesses of big government that have undermined responsibility (Finlayson 2010: 25-6). The thesis is thus primarily a critique of a particularly selfish form of individualism that has eroded society through the mass abandonment of responsibility (Finlayson 2010: 26). The main source for this lack of responsibility is the social democratic New Labour state that has fostered a right-based and dependency culture (Finlayson 2010: 26-29). It is this aspect of the thesis that ensures it is relevant for our purposes here, since the erroneous use of public money is implied to have played a role in fostering this culture – therefore creating a link to the debt crisis. Unsurprisingly, this diagnosis suggests a withdrawal of the state from various areas as evident in much Conservative-coalition government policy such as free schools and



directly elected police commissioners, but it also leads to state intervention, through trying to change dominant social norms of dependency and unproductive behaviour through behavioural economics (Finlayson 2010: 29).

### **1.2.2 Crisis? What crisis?**

Given that these five theses are all essentially explaining the same phenomenon – the turn to fiscal consolidation – it is interesting just how *different* these accounts are. In explicating his financial crisis thesis, it is necessary for Blyth to dedicate substantial space to carefully delineate the subprime crash – and the ideas that underpinned the institutionalisation of certain models of risk within finance. Yet for Streeck’s fiscal crisis thesis, the subprime crash barely warrants a mention, *at all*. Likewise, Blyth barely mentions the long-term fiscal pressures facing liberal democratic states. Since each thesis makes clear claims about the object of crisis – finance, growth model, fiscal state, capitalist production, and Broken Britain – this perhaps leads to questions: which one is right? Which crisis is it?

However, these are the wrong questions to be asking. This line of questioning over which crisis thesis is right assumes that this at heart is an *empirical* dispute over the cause of crisis. This, in turn, implies a singularity of crisis; that a single underlying cause or disease is possible to identify. These assumptions are a result of dividing crises into symptoms and an underlying disease. Alternatively, instead of seeking to adjudicate the explanatory power of each thesis to properly account for the true disease that lies beneath the symptoms of state debt, we could simply reject the entire enterprise and question of empirical adjudication. I suggest we recast these theses not as an empirical dispute over the transformative power of one particular objective economic failure or disease, and instead recast it as an ontological level-of-analysis

problem<sup>13</sup> for which there is no definitively right or wrong singular answer (Hay 2002: 59-88). Seen in this light, all five theses (especially the first four) are perfectly commensurable. There is no contradiction in suggesting that Britain's debt crisis is in reality a mere symptom of five different factors: bailing out banks, a debt-fuelled growth model, a slow-burning and recurring fiscal crisis of the state, capitalist crisis, and (to a much lesser extent) taxpayer funded transfers to the irresponsible<sup>14</sup>. The downside of acknowledging this, however, is that the critical potency that accompanies speaking of crisis is somewhat diminished.

It is possible to push this line of thinking even further. An implicit two-part symptom-disease crisis distinction underpins all five of these theses. The first part is to reject a dominant representation of crisis (in this case of debt), and recast that as a mere symptom of a deeper and underlying cause or disease. The second part is to demonstrate how this different underlying phenomenon came to cause this symptom, and recasting this cause as the real disease or object of crisis. The posing of this new object of crisis will inevitably demand that a different solution is required if the real causes of the disease (and not the mere symptoms) are to be adequately dealt with. This critical component is one of the main advantages of the symptom-disease crisis

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<sup>13</sup> There is no method for definitively adjudicating between a claim that the debt crisis began with a failure in finance that states were forced to take the hit for, or that the crisis is a result of inherent tensions in the legitimation of the state. Both, in some sense, have sufficient explanatory power, but what convinces is ultimately dependent upon a 'wager' regarding the appropriate scale and time for social scientific analysis. Depending on how one answers these wagers, scholars will produce different answers to the same question. These wagers are, in turn, dependent on ontological assumptions and normative commitments. These issues are explored further in Chapter 2 when I outline the framework for this thesis.

<sup>14</sup> If we adopt the constructivist methodology outlined in the next chapter, we can assume that the all five crisis theses looked at are adequately causal. Doing so means accepting that each of the theses above represents a necessarily imperfect, one-sided analytical narrative – one-sided because they all make essentially contestable commitments to certain levels of analysis and abstraction in terms of scope, space and time. We could therefore tentatively suggest that while all these five crisis theses are important, what is *really* important is the five taken together: the specific and boundlessly complex historical occurrences that they help illuminate.

distinction. By effectively denaturalising an accepted chain of events upon which an undesirable economic policy strategy is logically dependent upon for justification, the distinction possesses the potential analytical traction to open up contingencies for alternative solutions.

There is nothing intrinsically wrong with this symptom-disease crisis distinction either in principle or practice. As this chapter has shown, the crisis theses that they lead to are very illuminating. My argument is far more modest than an outright rejection of the merits of this distinction. Simply put, and like any method or methodology, this symptom-disease distinction is by definition limited; it possesses analytical weak spots. One downside is the constant search for a true representation of crisis<sup>15</sup>. Since the analytical strategy that the distinction tends to lead to is based upon rejecting representations of crisis on the basis of their *correspondence* to reality, it requires investing considerable energy into disproving these representations.

My argument is that while this strategy is noble and important, there are other ways of conceptualising crisis that can provide an alternative foundation for producing different, but no less interesting and important, insights. Instead of working with this symptom-disease distinction that typically leads to rejecting representations of crisis as invalid, this thesis can develop a strategy that seeks to *understand* how these representations (e.g. debt crisis) historically came to be so. Doing so would liberate this thesis from the imperative to identify a singular underlying crisis, and create the space to explore the process of ‘social construction’ in the broadest sense possible. By examining the cultural and political history of the debt crisis, we might be able to

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<sup>15</sup> The style of this critique is significantly influenced by Brett Christophers’ (2011) article on the productivity of finance. Christophers argues that instead of constant to-ing and fro-ing about whether finance is *really* productive, it would be equally illuminating to explore the performative technopolitics of expertise and calculation that socially constructed finance as productive in the first place.

better understand how its terms became accepted as everyday common sense, and thus be better placed to provide a convincing and plausible explanation for the puzzle of austerity acquiescence posed in this thesis.

The possible downsides of the symptom-disease strategy are often acknowledged in the literature. For instance, in analysing the Conservative ‘Labour’s Debt Crisis’ narrative, Colin Hay claims that:

in the end, what matters politically is not whether and to what extent we [i.e. academics], *but the electorate*, held, hold and continue to hold Labour in office culpable. Whether it *deserves* to be held culpable is a secondary and a more narrowly academic consideration (2013b: 25).

Despite this, exploring the social construction of the debt crisis without recourse to the symptom-disease strategy remains rare. Indeed, this strategy is built in to the very understanding of crisis that is predominantly used in the literature on austerity (and possibly even political economy more broadly). I remain unconvinced that one can properly understand how the debt crisis *works* to the extent sufficient to answer the puzzle and research questions of this thesis when one seeks to simultaneously reject it as wrong. The debt crisis, even if it may or may not be a correct representation, is still worth exploring as such an analysis will provide the basis for explaining how its imperatives came to be reluctantly accepted by the mass public. I am therefore convinced it is justified to claim that we require an alternative way of conceptualising crisis if we are to fully cash out this critique and build a framework capable of adequately answering the austerity acquiescence puzzle of this thesis. This is the aim of the next chapter.

## **Concluding remarks**

It is impossible to understand the age of austerity without a notion of crisis, whether explicit or implicit. This chapter has argued that the concept of crisis matters in two

central ways. First, the politics of spending cuts are inherently challenging for politicians due to the locked-in nature of many policies and the inherent unpopularity of spending cuts. Politicians therefore seek to legitimise harmful spending cuts in the name of solving a ‘crisis’. Political economists have sought to demonstrate how the debt crisis used to justify these spending cuts is essentially a symptom of a different underlying disease, thus implying that an alternative solution that specifically targets the sources of the actual disease is more appropriate. However, this leads to more controversy, as political economists cannot agree on what this underlying disease or crisis consists of. When did the crisis begin? What is the crisis of? How can one be sure of whether the purported causes of crisis are not just the symptoms of an underlying more systemic crisis? I argue, second, that in organising itself around these sorts of questions, the academic literature on austerity has a number of blindspots – most notably, how a preoccupation with invalidating the debt crisis means there is little literature that seeks to ask how and why the imperatives of the debt crisis came to be legitimated and accepted by the public at large. The aim of the next chapter is to propose a framework for crisis that decidedly avoids falling back into the very same symptom-disease distinction I wish to avoid, and that can appropriately analyse the legitimation of crises – a question that is as deserving of attention as the questions currently asked.

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## **Chapter 2. The social construction of crises: Incorporating the mood of the times and the question of legitimation**

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Crisis holds a special place in the English language. While a recession has an official definition with formal starting and ending points (Watson 2014: 3) and financial ‘crashes’ tend to have a clear pattern that follows a ‘mania’ and then ‘panic’ (Kindleberger 1978), crises are far more amorphous with a deep range of different meanings and manifestations<sup>1</sup>. A particularly common usage of crisis conjures the turning point in a disease: ‘the moment when the body either starts to shake off the disease or succumbs to it’ (Gamble 2009b: 38-9). This is reflected in modern usage when talking about the economy, when a crisis implies an irremediably sick or morbid condition of emergency – *unless* an intervention is made with decisive swiftness. This intervention may be viewed, through the lens of history, as structural or transformative and as bringing about an entire new order. As Reinhart Koselleck

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<sup>1</sup> For excellent conceptual overviews and intellectual histories of ‘crisis’ see O’Connor (1987), Hay (1999), Koselleck (2006) and Samman (2012: 10-45).

writes, crisis ‘has become an expression of a new sense of time which both indicated and intensified the end of an epoch’ (2006: 358). The sheer act of invoking a crisis in politics is to suggest not just failure itself, but a need to impose a solution. The naming of a crisis is important since by identifying a key area of failure it contains many clues and leads as to the appropriate nature of that intervention. Fiscal consolidation, on the scale studied here, would be extremely hard to justify if it were not for some sort of emergency situation, turning point, or, indeed, crisis.

It is this latter element that makes conceptualising and identifying crisis so inherently political. While the accounts of austerity and crisis reviewed in the previous chapter were sensitive to these concerns, they primarily viewed crisis through a symptom-disease distinction. As a result, the legitimisation of fiscal consolidation and wider questions about austerity acquiescence tend to be secondary concerns. The aim of this chapter is to remedy this by outlining an analytical framework for the study of how crises, and the imperatives they engender, are conferred a degree of legitimacy through resonating with the mood of the times. To do so requires first outlining the general constructivist methodological principles of this thesis, rethinking crisis in a manner that avoids the pitfalls of the symptom-disease distinction, and conceptualising about the mood of the times and the conferral of legitimacy.

The chapter is split into the three sections, which reflect these concerns. The first section outlines the very first methodological principles that underpin and shape this thesis. I outline a constructivist methodology that seeks to generate necessarily one-sided explanatory analytical narratives about how specific occurrences are historically so. Although this section does not directly conceptualise about crisis, in laying out the logic behind the later analytical framework it resembles a crucial part of the building process. The second section then draws on constructivist institutionalist and cultural

economy literature to outline a basic framework for analysing crises. I show that by understanding crises as an enacted *process* of problem definition, interpretive battle and intervention the pitfalls surrounding the symptom-disease distinction can be successfully bypassed. However, I suggest that this framework is ill-equipped as a standalone method for sufficiently answering the puzzle of this thesis. The third section consequently draws on Everyday IPE literature to argue that despite often conceptualising about the ‘mood of the times’, constructivist frameworks (broadly conceived) tend to have a limited top-down view of legitimacy. I therefore propose an alternative conception of legitimacy – as conferred by justification via shared belief – and suggest finally that to fully cash this out we need to consider going beyond both methodological elitism and proxies.

## **2.1 A constructivist methodology**

In this section I draw on Patrick Thaddeus Jackson (2002, 2010) and Max Weber (1946, 1949) to outline the constructivist methodology that underpins this thesis. This methodology involves ordering lived or recorded practical experience into stylized narrative accounts that seek to pinpoint key factors in contingent processes of historical change (Jackson 2010: 112-55). However, before getting on the substance of this it is necessary to first clear up what I mean when I write of ‘methodology’ and ‘constructivist’ respectively in order to pre-emptively clear up any potential misunderstandings.

First, by methodology I mean something quite specific that may not chime with dominant understandings in political science. Political science, and to a lesser extent political economy, increasingly places value upon reflexivity: the appreciation that there is no one right way of doing social science since all research is underpinned by a



number of unsolvable assumptions about the nature of being and knowing (Hay 2002, Bates and Jenkins 2007, Stanley 2012b). It is thus important that whatever (methodological) means are being utilized to achieve whatever (epistemic) ends, both those means and ends are fully explicated and justified. In this vein, this section does not outline substantive ontological assumptions about the make-up of the world or about how best to collect or analyse data. Instead it aims to outline the most basic methodological principles that underpin the design and execution of this thesis. These principles laid out in this section are methodological and not philosophical to the degree that they are pragmatically driven and geared towards nothing more than a means to an end (i.e. research). Following Jackson and Nexon (2013: 550-1), methodology can be defined as the reflection upon and justification of the ‘epistemic status of claims and their proper use in the process of generating knowledge’. Outlining the underpinning values of this methodology should not be read as an exercise in philosophical self-absorption, but instead as an attempt to clearly and explicitly spell out the methodological values that underpin the knowledge claims of this thesis so as to provide the best opportunity that they can be evaluated on the terms in which they were generated. This is especially important when such values deviate considerably from the mainstream.

Second, by constructivist I also mean something quite specific that may not chime with dominant understandings in political economy. Given what the previous paragraph hinted at, the constructivist methodology I outline here should not be mistaken for substantive or theoretical claims that, say, objects in the world are not a pre-given but a product of history (although I *do*, later on, make such claims). Instead, in this section I simply outline a set of wagers about the nature of explanation and our necessary epistemic limits that can be usefully categorized as ‘constructivist’.

Consequently, this constructivist methodology has an uneasy and uncertain relationship with the recent rise of a narrow and specific manifestation of ‘economic constructivism’ in IPE that has arisen since Mark Blyth’s (2002) seminal contribution that demonstrated the autonomous power of economic ideas during the uncertain periods of crises (for evidence of this specific manifestation compare Palan 2000, with Broome 2012). Although I do draw on some of the key interlocutors of this specific strain of constructivism in building a framework for this thesis, it should be clear by the end of this Chapter that I do not accept the methodological imperatives that are inevitably bundled in with this approach (for a far fuller discussion see Samman and Stanley 2013). So, when I write of constructivism I am seeking to speak to the recent decade-long rise of ‘economic constructivism’ while simultaneously situating myself in a much broader tradition of social constructivism.

My methodological starting point is the observation that social science is inherently value-laden (Weber 1946). This is not (necessarily) in the sense that behind all seemingly neutral analyses lays a hidden political agenda. It is value-laden not even just in the sense that there is no inherently correct way to go about producing social scientific knowledge. It is value-laden in the sense that the very definition of social scientific knowledge itself is contested. The slow realisation of this is perhaps why political science and political economy literature have begun to emphasise the importance of methodological reflexivity. One must be able to, amongst other things, clearly explicate the ontological basis for which empirical claims are being made if fairly evaluating different forms of scholarly knowledge is an achievable aim. To be ‘scientific’, then, should in no way be equated to adhering to the *values* of the largely common-sensical neo-positivist standards of hypothesis testing. In ensuring a fair evaluation of scientific knowledge, the only criteria we can propose then is the

*internal validity* of methodology for systematically producing facts (Jackson 2010: 22-24). Guaranteeing this, in turn, means being upfront about one's foundational assumptions and the basis for which empirical claims are based. There are many methodological values that underpin this thesis.

For one, this thesis has been strongly influenced by work that argues that research should be driven by non-paradigmatic and a-disciplinary puzzles about salient public issues, drawing on an eclectic approach to the selection of concepts and methods. Such work includes that on the sociological imagination (Mills 1970 [1959]), 'phronetic' social science (Flyvbjerg 2001), research puzzles (Hobson and Seabrooke 2007a), and analytical eclecticism (Sil and Katzenstein 2010). What these approaches share, on some level, is that 'knowledge of the *cultural significance of concrete historical events and patterns* is exclusively and solely the final end' of social science (Weber 1949: 111).

More fundamentally, this methodology is underpinned by a number of 'wagers' – a term I borrow from Jackson (2008, 2010). Jackson provides a useful typology for thinking about the methodological values that underpin scholarship. At the heart of this typology are wagers about the very nature of knowing and being that can never be settled definitively by definition. 'At a minimum', Jackson explains, 'a wager locates and specifies three things: the researcher, the world to be researched, and the character of the relationship between them' (2010). Every scholar makes assumptions about this, but answering such questions requires a 'measure of *faith*' (2010: 35) because they cannot, and never can be, resolved definitively. Consequently, in outlining this methodology, the aim is not to *convert* others to its virtues, but to *convince* that it is an acceptable and adequate underpinning for scholarly knowledge.

However, the ‘directional dependence’ model is the default position in political science: begin with questions of ontology (‘what exists?’) and then move on to questions of epistemology (‘how can we know about this?’) (Hay 2002: 61-5). As some critics have pointed out (Bates and Jenkins 2007), this common-sense view should be contested as it can render an essentially contestable methodology as just that: common sense. Crucially, built into this directional dependence model is the assumption that working out what exists in regards to a mind-independent world ‘out there’ to discover is *prior* to working out how to know the world. Consequently, knowledge is judged on its ability to *represent* this external world, typically through hypothesis testing through empirical observation (i.e. neopositivism), or through retroductive reasoning about unobservable (but real) causal mechanisms (i.e. critical realism). The main aim in these methodologies is to know about *things* that exist in a mind-independent external reality (Jackson 2010: 34). As a result, this directional dependence model leads to Cartesian anxiety ‘by introducing a characteristic fear: the fear that our elaborate intellectual constructs might be, in whole or in part, nothing more than the fanciful products of our own imagination’ (Jackson 2010: 59).

My methodology wagers a different answer to the position of the relationship between knower and the known – i.e. the ‘mind-world’ problem. A *dualist* position, surveyed in the previous paragraph, would maintain that ‘mind’ is radically separated from an externally existing ‘world’, and that knowledge is produced through the bridging of this gap – that is, researchers must strive to demonstrate an accurate correspondence between their scholarship on the one hand, and the character of a mind-independent world on the other (Jackson 2010: 35). In contrast, a *monist* position would maintain that ‘mind’ is inseparable from ‘world’ in such a way that knowledge can only

reasonably aim at understanding the ways in which each constitutes the other (Jackson 2010: 35-6).

Jackson shows how justification for this monist position proceeds, *logically* not *ontologically*, that the entire mind-world problem is not quite the panacea it is made out to be (2010: 135). A mind-independent reality ‘cannot be sensibly referred to outside of the context of the practices of knowledge-production that we employ when investigating them’ (Jackson 2010: 31). The claim is not about whether an external reality exists or not, but that even tackling that question – the nature of a mind-independent world – is impossible due to the primacy of human experience in knowledge making. Thus, a monist position is not idealist, relativist, subjectivist (Jackson 2010: 31) – nor, indeed, about turning base metal into gold (Bieler and Morton 2008) – because such arguments presume a philosophical view that maintains a separation between mind and a mind-independent reality can be scientifically bridged – a view that is reducible to an irresolvable wager. If we assume that knowledge emerges from experience, and that experience – including scholarly practices – is always pre-structured by the categories and values and purposes that we bring to it, then the ‘Cartesian anxiety’ of neopositivism and critical realism loses meaning (Jackson 2010: 136). What matters is the useful ‘analytical order[ing] of empirical social reality’ (Weber 1949: 63), not the comparison of knowledge to a mind-independent world on the basis of its representability (Jackson 2010: 34).

Combining this monist position with a wager that it is impossible to produce knowledge beyond that of experience – whether sensory or practical-lived – results in a methodology Jackson names as ‘analyticist’ – but that for the purposes of clarity I will name as constructivist. This methodology seeks to order the experiences from practical research activity through crafting analytical narratives – involving the

deliberate over-simplification of ideal-typical concepts in exploring historical contingencies – to make empirical claims with pragmatic explanatory utility (Jackson 2010: 37). Again, to reiterate, the aim of conceptualising or theorising is not to best map a mind-independent reality (for that would be internally contradictory), but instead instrumental (see also Stanley 2012a). Knowledge is valued on the basis to categorise practical experience as the underpinning for analytical narratives (Jackson 2010: 157). ‘World’, as it were, becomes closely related to practical experience and the social practices in which ‘people engage as they live their lives and go about their business’ (Jackson 2010: 113). The ‘world’ is thus no longer considered as a *collection of things* in an external reality for scholarly knowledge to most accurately represent. I, following Weber and other scholars, deem this to be logically non-sensical. Instead I assume ‘world’ to consist of an *assemblage of facts* to order and make sense of experience.

It is illustrative to turn to Weber’s explanation of ideal-types to get a better grasp of this methodology<sup>2</sup>:

An ideal type is formed by the one-sided accentuation of one or more points of view and by the synthesis of a great many diffuse, discrete, more or less present and occasionally absent concrete individual phenomena, which are arranged according to those one-sidedly emphasized viewpoints into a unified analytical construct. In its conceptual purity, this mental construct cannot be found empirically anywhere in reality. It is a utopia (Weber 1949: 90).

This quote is worth fleshing out. Due to the ‘infinite richness of events’ (1949: 111), all explanations are by definition imperfect. This is what, in part, makes science so value-laden, because all scholars are forced to focus on just a relatively limited aspect of explaining a historical event equating to their specialism and interests (Weber

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<sup>2</sup> Although Weber’s ideal-type method is best known in political science and political economy for the specific construction of analytical categories (such as varieties of capitalism), others have shown how can be used as a general methodological principle in its own right (e.g. Jackson 2002, Seabrooke 2006).

1949: 71). Hence, all explanations are necessarily one-sided, but are also ‘free from the charge of arbitrariness to the extent that it is successful in producing insights into interconnections which have been shown to be valuable for the causal explanation of concrete historical events’ (Weber 1949: 72).

Consequently, this methodology looks to isolate ideal-typical factors that can *adequately* account, causally speaking, for a historical event through counterfactual reasoning. These analytical ‘concept-constructions’ (Weber 1949: 101) are not supposed to be ‘tested’ by comparing them to reality, because, as Weber makes clear in his use of ‘utopia’, they cannot be found. The only way they can be judged is as *means* to an *end*. As Jackson explains, the only meaningful way to evaluate such constructs is pragmatically: ‘that is, to examine whether, once applied, the ideal type is efficacious in revealing intriguing and useful things about the objects to which it is applied’ (2010: 146). The *end*, in this case, is an analytical narrative about austerity acquiescence, which must be, to be consistent with the terms I have laid out, judged valid in that ‘our imagination accepts as plausibly motivated and hence as ‘objectively possible’ and which appear as *adequate*’ (Weber 1949: 92). So while the epistemic basis for knowledge claims is not as strong as in critical realism or neopositivism, the advantage is that it is better placed to offer typically culturally rich explanations that are otherwise not as possible. Indeed, one key benefit of this methodology is that it is particularly well suited to analyse intersubjectivity and lived experiences as reflected in focus group discussions. The substantive theoretical underpinnings of intersubjectivity are explored fully in Chapter 3 in the context of these focus group methods.

This section has outlined the foundations for the methodology of the thesis. ‘Methodological’ because it provides the basic foundations and justification for the

types of knowledge claims made since the actual ‘method’ for generating these claims is discussed later on in Chapter 3. Nevertheless, the empirical claims in this thesis consist of a case-specific analytical narrative that offers a necessarily incomplete and one-sided explanation of austerity acquiescence in the UK. It is adequately causal in the sense that it shows that due to a number of factors austerity acquiescence was ‘historically *so* and not otherwise’ (Weber 1949: 72). This is assisted through an ‘ideal-type’ conceptual framework about how crisis resonates with the mood of the times, the claims of which are based on its ability as ‘*means*’ to this empirical end (Weber 1949: 80). The primary claim to originality is that this particular analytical narrative, and the assemblage of facts and framework that underpin it, can help us order our experiences and scholarly practices in ways that existing literature can and has not.

## **2.2 Conceptualising crisis**

Having set out the foundational terms and status for a constructivist framework for analysing crisis, I am now in a position to outline the substance of that framework itself. In this section I draw on constructivist institutionalist and cultural economy literature<sup>3</sup> to outline an approach to conceptualising crisis that avoids the symptom-disease distinction that I seek to bypass. A particularly useful way of conceptualising crisis for the purposes of this thesis is as an enacted and iterative process of problem definition (i.e. a sudden change for the worse in a key economic performance indicator), interpretive battle (i.e. a conflict to convince others to place that problem

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<sup>3</sup> Although some may consider these literatures as representing incommensurable ontological positions and thus otherwise incompatible, I must stress that I am not seeking to amalgamate these positions into a novel ontological fusion of (say) institutionalist and post-structuralism. Given the terms of the constructivist methodology (with a monist philosophical ontology) I have outlined, there is no logical reason why conceptualising about the performativity (or enactment, the term I prefer) of crises must necessarily entail the radical epistemic positions taken by post-structuralism despite the prior and clear association between the two.



within a wider story of systemic or personal failure), and intervention (i.e. the logical solution to the problem based on the largely accepted story of events).

### **2.2.1 Constructivist institutionalism**

Although the typical intellectual history of constructivist institutionalism involves overcoming the overly structuralist or materialist nature of historical institutionalism (Blyth 1997, Hay and Wincott 1998), it is also built upon critiques of orthodox neopositivist and Marxist crisis theories. First, mainstream international and comparative political economy approaches – which are typically arranged around a neopositivist epistemology (for recent general critiques see Farrell and Finnemore 2009, Phillips 2009) – tend to explain divergent policy responses during crisis through material factors. For instance, Peter Gourevitch argues that international economic crises are moments of radical political ‘openness’ (1986: 35) that have the power to transform the interests of domestic groups. International crises transform the ‘placement’ of interests groups within distinct and different domestic economies, which leads to the creation of new political coalitions and thus divergent outcomes (1986: 20-1). Thus, crises are analytically revered for their reordering of material interests.

Second, Marxist approaches, meanwhile, reject ‘bourgeois’ theories that explain crises as the contingent result of exogenous shocks to capital accumulation (Clarke 1994: 7). Instead, these radical accounts typically consider crises as intrinsic to the very social relations that lie at the heart of capitalist accumulation (Shaikh 1991: 160, Burnham 2010: 29). Some of these approaches adopt a distinction between ‘general’ and ‘partial’ crises. A general crisis refers to an overall transformation of society: ‘that is, to the erosion or destruction of those societal relations which determine the

scope of, and limits to, change for (among other things) economic and political activity' (Held 1991: 120-1). In contrast, a partial crisis is, in relative comparison, merely the seemingly natural fluctuations of the business cycle inherent in capitalism. This is reflected in Claus Offe's (1985) distinction between conjunctural and structural logics of change<sup>4</sup>. Thus, (general or structural) crises are analytically and politically revered for the ability to transform the capitalist state and/or the material conditions of social existence.

Since the constructivist institutionalist literature is built upon rejecting the seemingly materialist underpinnings of these approaches by instead recasting crises as *essentially narrated phenomena*, it has considerable potential to assist in dismantling the symptom-disease distinction. Although constructivist institutionalist scholars might dispute the singularity of the methodology (see Schmidt 2012), there is a shared foundational explanation (Hay 2006a). Building upon new institutionalist literature (particularly Hall 1993), it is assumed that a downturn in the economy causes radical uncertainty as elite actors attempt to make sense of their interests. This radical uncertainty creates the space for an interpretive battle in which competing norm entrepreneurs use economic ideas to define and make sense of the downturn. The resulting crisis narratives contain causal stories (Stone 1989) in which failure and blame are attributed with a logical solution posited. The 'successful' crisis narrative will then legitimate and make possible a seemingly necessary and essential intervention in the name of resolving a crisis. The validity of the ideas that underpin our narrative is not necessarily a crucial factor. Indeed, as the literature consistently

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<sup>4</sup> Whilst a conjunctural policy response aims to steer the state away from crisis via minor tinkering and economic management, a structural policy response will ultimately attempt to restructure the fundamental system itself (see Hay 1999: 339, figure 3).

reminds us, ideas do not get judged on a scientific basis, but a sociological basis in respect to resonance with the mood of times (Hall 1993: 280, Widmaier 2004: 437).

Mark Blyth and Colin Hay offer two of the key frameworks.

Blyth's starting point is dissatisfaction with the predominant neopositivist assumption that material interests are the key factor in driving change during crises. As Blyth succinctly puts it 'structures do not come with instruction sheets', suggesting that interest-based explanations problematically assume that actors automatically always act upon their materially-telegraphed interests (Blyth 2004). This problem stems from a view that essentially equates uncertainty with risk and a lack of information. By adopting a more radical Knightian conception of uncertainty, the causal power of ideas comes to the fore as crises cause agents' interests to become intensely problematized and fluid. Using this as a theoretical basis, Blyth (2002) hypothesizes that during moments of radical uncertainty or crisis, agents have no other choice than to draw on ideas in order to not only simplify their environment but also make sense of their own interests. Ideas provide agents with a 'weapon' – both scientific and normative – for delegitimizing the pre-crisis institutions and the ideas that underpin them, as well as a 'blueprint' for building a new post-crisis order. Thus, a period of contestation ensues via an interpretive battle to convince others and build coalitions centred on certain crisis narratives that emerge from different economic ideas. The framework, then, is very successful in providing an ideational dosage to the otherwise materialist neo-positivist accounts. However, it still essentially reproduces the neo-positivist methodological base that sits uncomfortably with the constructivist methodology of this thesis<sup>5</sup>.

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<sup>5</sup> One possible downside of this approach is that in its aim to contribute to the mainstream, it ends up generating accounts of change that equate to what Seabrooke (2007: 798-800) calls 'ideational

Through a study of the etymology of crisis, Colin Hay defines crisis as a *decisive intervention*: a process of discursively constructed failure in which a contingent intervention must be made (Hay 1999: 323). In contrast to Marxist approaches, the objective failure of an economic regime cannot constitute a crisis *per se*, because it only provides the ‘raw materials’ for actors to transform it into a crisis. This moment of crisis arrives when various symptoms of the failure and the attribution of blame are recruited into a narrative of crisis in which a decisive intervention – based on the causal logic of the narrative itself – becomes both possible and necessary (Hay 1996a). Crisis narratives must however make sense to individuals’ lived experiences, since their ‘success’ generally resides in providing ‘a simplified account sufficiently flexible to ‘narrate’ a great variety of morbid symptoms while unambiguously apportioning blame’ (2001: 204). However, since a crisis is defined as a *decisive intervention* into the organization of the state (whether that is conceptualized as a paradigm or regime), a crisis can only be so when there is a ‘structural’ (or general) transformation. A ‘conjunctural’ (or partial) crisis is really no crisis at all<sup>6</sup>. It is this move that allows Hay to show the inherently political nature of crises, and also reproduce the general/partial or structural/conjunctural distinction that many consider politically and analytically important.

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punctuated equilibrium’ in which ideas are mostly stable until periods of crisis force a shift. More critically, we may wish to unpick the unnecessary imperatives of the ‘disciplining function of its field-specific meta-discourse’ (Samman 2011: 30) in which ideas are seemingly only relevant when their causal efficacy can be explicitly demonstrated (see also Samman and Stanley 2013).

<sup>6</sup> Andrew Gamble (2009: 461) and Colin Hay (2011: 2), for instance, have written that the subprime debacle of 2008 and beyond is not a ‘crisis’ *per se*, but a series of pathologies. However, it must be remembered that their definition of crisis is synonymous with a complete transformation in the macroeconomic principles that underpin the management of the state, seen, for instance, in the move from the post-war consensus to neo-liberalism. If one defines a crisis as essentially synonymous with a rejection and subsequent replacement of policy-makers underlying macroeconomic principles, then it is indeed highly unlikely that one will find one in the 2008-2012 period.

Constructivist institutionalism provides some interesting and important insights into the social construction of crises. Crises can be depicted as the process in which a decisive intervention is made following an interpretive battle to define a failure. Ultimately, crises do not just happen; they are made. However, as a partial result of their distinctive intellectual genealogies, both Hay and Blyth tend to reproduce the very symptom-disease distinction that requires dismantling for the purposes of this thesis. By seeking to provide existing materialist accounts of crisis with the correct dosing of ideational factors, they reproduce the divide between true economic failure (akin to disease) and fallible ideas *about* that failure (akin to symptoms) as a meaningful and useful distinction. Although the constructivist institutionalist emphasis on the narrated nature of crises is very useful, cultural economy literature provides important insights in how to conceive of crisis without recourse to a symptom-disease distinction and thus satisfactorily completes this framework for analysing crisis.

### **2.2.2 Cultural economy**

‘Cultural economy’, an emerging sub-discipline in its own right (see Best and Paterson 2009), has helped bring the concept of performativity to the foreground of political economy analysis as broadly conceived<sup>7</sup>. Performativity has been applied to political economy and cognate subject fields (e.g. Callon 1998, Clark *et al.* 2004, De Goede 2000, MacKenzie and Millo 2003, MacKenzie 2006), and, more specifically,

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<sup>7</sup> Cultural economy needs to be differentiated from cultural *political* economy, an approach particularly associated with Bob Jessop and Ngai-Ling Sum (Jessop and Sum 2001, Jessop 2009, 2013, Sum and Jessop 2013). This approach attempts to avoid ‘soft economic sociology’ (Jessop and Oosterlynck 2008) by fusing a semiotics of crisis with an analysis of underlying economic contradictions. Jessop and Sum’s ambitious epistemic aims leads to a series of different (more abstract) aims and an explicit symptom-disease distinction in analysing crisis that decreases its direct applicability to this thesis an analytical framework (although I do still draw on insights from the approach in a less systematic manner).

to the recent crisis (Brassett and Clarke 2012, Langley 2010, 2012, 2013a, 2013b). Drawing on differing traditions of JL Austin (1975) and Judith Butler (1993)<sup>8</sup>, performativity has had two main applications to political economy. First, performativity has been utilised to show how ‘economics, in the broad sense of the term, performs, shapes and formats the economy, rather than observing how it functions’ (Callon 1998: 2). It has been particularly utilised in the social studies of finance to demonstrate how financial models, devices and formulas are not merely passive descriptions of financial logics but actually have a generative function in the enactment of markets (e.g. MacKenzie 2006). Second, political economists have used performativity to argue how discourses of finance ‘do not exist above and beyond human action but are in need of constant enactment, affirmation and reconstruction by financial practitioners’ (De Goede 2000: 75). At its foundation, however, the concept of performativity demonstrates how certain knowledge has a constitutive effect: ‘markets are enacted, and financial subjects are produced through discursive repetition’ (Brassett and Clarke 2012: 4).

This tool has recently been applied to understanding how the recent global financial crisis has been governed. James Brassett and Chris Clarke (2012) argue that the subprime crisis was performed as a ‘traumatic’ event that thus required a suitably drastic response. Thus, they argue, we have come to think about the crisis as a specific and time bound event (2012: 5). Paul Langley’s (2012) approach, meanwhile, starts from the Foucauldian concept of ‘problematization’ to interrogate the different ‘metaphors of crisis management’ – e.g. liquidity, foreclosure, risk, regulation, sovereign debt, and so on – since 2008. Focussing on how the subprime crisis was governed in 2007-

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<sup>8</sup> While Austin’s more linguistic approach focuses on the impact of self-actualizing ‘utterances’, Butler’s notion of performativity operates through the ‘reiterative power of discourse to produce the phenomena that it regulates and constrains’ (1993: 2).

8 as a crisis of liquidity, Langley (2010) traces how seeking to ‘fix’ the illiquidity of financial markets by injecting liquidity tells its own story of crisis narration. The range of solutions employed – most notably including the Troubled Asset Relief Program (TARP) in the US, but evident in the justifications for bank bailouts and recapitalisations more generally – suggested that the crisis was a temporary disruption to market equilibrium that can be solved swiftly via relatively limited but costly intervention. Illiquidity was thus rendered as something ‘abnormal and uncharacteristic of the ways in which markets function’ (Langley 2013b: 118). The crisis was thus rendered as a governable object, and particular responses were licensed, legitimated and limited (Langley 2010: 86).

That crises are enacted or performed has powerful implications for how we understand the essentially narrated nature of crises. While rhetoric is an important part of establishing a narrative of failure (as well as providing a data source in researching it), narration can be achieved in other ways too – such as through enactment, or (in a self-perpetuating manner) through the very intervention the causal story makes possible. In this way, a crisis is constituted not just through talk but also practice. A piece of legislation, the creation of an agency, or something similar, can also ‘speak volumes’ in terms of narrating a story or engendering an intervention (Yanow 1995: 18, MacKenzie 2006). However, the crucial point is that if crisis can be defined as an enacted and iterative process of problem definition, narration and intervention, then it is possible to not only identify numerous crisis narratives since 2008 but crises per se. In this sense, the 'Debt Crisis' is not just one narrative among many (such as a Keynesian fiscal-stimulus alternative, or the recent politicization of tax avoidance) in this specific space of the fiscal deficit problem, but also one crisis amongst many - including a crisis of liquidity (as apparent by intervention to inject liquidity), a crisis

of excessive risk (as evident by interventions to stress test banks and the impetus to ‘reign in’ excessive bonuses), etc. – all of which are evident in the various practices of post-2008 crisis management<sup>9</sup>. By providing some supplementary conceptual tools, the cultural economy approach can assist us by showing how we can understand the constitution of crisis without recourse to the symptom-disease distinction.

This perspective supplements the constructivist institutionalist approach to crisis. Other than dismantling the symptom-disease distinction, it also amplifies the constructivist institutionalist underlying theory of power. As Colin Hay puts it, (state) power ‘resides not only in the ability to *respond* to crisis, but to *identify, define, and constitute* crisis in the first place’ (1996a: 255). As the performativity concept explicitly illuminates, defining crisis and responding to crisis can be intertwined in the same process. Causal stories can successfully set the agenda if ‘the proponents have visibility, access to media, and prominent positions’ (Stone 1989: 294), and in this sense a normal member of the public is quite clearly going to have a smaller audience for their crisis diagnosis than the Chancellor of the Exchequer. Power extends beyond just information dissemination, however, for it is the more traditional power to intervene that is equally crucial. Intervention is a constitutive part of narrating and constituting a crisis, but it is a power that is reserved for the few.

## **Summary**

This section has argued that crises are necessarily narrated phenomena. Through drawing on constructivist institutionalist and cultural economy approaches, this section has sought to produce a basic framework for understanding the constitution of crises. Crisis, then, can be understood, at a basic level of, as constituted via a

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<sup>9</sup> The job of mapping these different crises is, of course, not the aim of this thesis – but it is one of the aims of Paul Langley’s new book (Langley, forthcoming).



threefold process: (1) problem definition, (2) interpretive battle, (3) intervention. The first part of this process is similar to Blyth's notion of uncertainty and involves the definition of failure as a political problem. Some piece of data or metric will confound both normality and expectations with an unanticipated change that is generally agreed that it might pose some sort of existential political-economic problem. Secondly, an interpretive battle to build an intersubjective consensus around a causal story that explains and attributes blame for this development will ensue; often the simpler and more moralistic narratives fare better. The speaking of 'crisis' is important, as it engenders a sense of danger and the need to intervene. Finally, the decisive intervention is not just the logical corollary of an intersubjective consensus about sources and attribution of crisis, but actually enacts crisis and (re-)confirms the very 'diagnosis'. In this sense, the crisis is continually being narrated. These three elements – problem definition, interpretive battle, decisive intervention – constitute a crisis in an iterative and enacted fashion.

However, it is clear that this framework only gets us so far inasmuch as meeting the ambitions of the thesis to explain and explore the process of austerity acquiescence. Specifically, the framework is still unequipped to answer why people would accept the justifications of the elite. Invoking the Introduction, is it because the public are interpellated into a quiescent subject position, or is it because they can rationally calculate the tax benefits of a long-term reduction in the debt burden? The methodological tools of these approaches are – of no fault of their own, it must be said – quite seriously stunted when it comes to posing an analysis in response to this question. To remedy this, we can begin by properly and explicitly conceptualising *legitimacy*. As the next section argues, much IPE scholarship (broadly conceived) suffers from what Leonard Seabrooke has termed 'legitimacy-by-proclamation'

(2006: 40). This tendency can be overcome by seeing legitimacy as a ‘two-way street’ between elites and the mass public and by, eventually, seeking to reject the, what I term, ‘methodological elitism’.

## **2.3 Beyond methodological elitism**

### **2.3.1 The ‘mood of the times’**

In the space created by a widely shared problem, an interpretive battle will ensue to define crisis as part of a causal story that engenders a decisive intervention. However, elite actors do not act in a societal vacuum: they cannot simply narrate any crisis they wish with the expectation that society will agree that the intervening solution is appropriate and necessary. How, then, are crisis narratives ‘successful’ in this sense? In existing accounts of crisis, the success of narratives in getting a particular causal story and blame attribution accepted is explained through powerful coalitions or ideational entrepreneurs (Blyth 2002), affective factors such as how ‘emotional predispositions themselves shape cognitive choices’ (Widmaier 2010: 135), inter-elite persuasion (Blyth 2007), or through the ability of simplifying media narratives to interpellate the public into a particular quiescent subject position (Hay 1996a).

Echoing some of these suggestions, some have suggested that crises must resonate with an intersubjective consensus about the legitimacy of change among the broader population if they are to be successfully accepted as blueprints for a post-crisis order (Widmaier *et al.* 2007). Wesley Widmaier claims that ‘elite and mass views interact as each is influenced by – and can reshape through the construction of a crisis – the wider ‘*mood of the times*’ (2004: 437, emphasis added). Crises, then, must resonate with the norms and experiences of the mass public – the ‘mood of the times’ – if they are to acquire an intersubjective consensus about the appropriateness of the

intervention they engender. As Widmaier *et al* write, 'the success of an elite group engaged in persuasion is often less related to their analytic skills than to the broad mass intuitions of the moment, which will favour one movement to the exclusion of others' (2007: 755).

Reflecting this latter point, Colin Hay argues that the imperatives of crisis can become accepted by resonating with lived experience. Indeed, 'their 'success' as narratives generally resides in their ability to provide a simplified account sufficiently flexible to 'narrate' a great variety of morbid symptoms while unambiguously apportioning blame' (Hay 2001: 204). He goes even further by suggesting that 'crisis is not merely a property of a system ... it is a *lived experience*' (Hay 1999: 323, emphasis added). Similarly, Stuart Hall has persuasively written how 'success' of the Thatcherite story of state overload 'does not lie in its capacity to dupe unsuspecting folk but in the way it addresses real problems, real and lived experiences' (1979: 20). This invites us to think of crisis not as either a material failure in an economic regime or an ideational creation of elites but as a public lived experience that rejects the separation between ideational-material and between symptom-disease.

Although they use a different conceptual vocabulary, the literature on institutions and ideas can help us map a basic illustrative conceptual heuristic. Peter Hall's (1993) piece on policy paradigms is a seminal influence on the modern research agenda on the politics of economic ideas. While the specific concept of paradigm might not always be present in the vocabulary of contemporary scholars, the notion that studying 'the overarching hierarchical goals that guide policy' (Hall 1993: 278) or the 'elite assumptions that constrain the cognitive range of useful solutions available to policy makers' (Campbell 1998: 385) remains an important factor in explaining policy change and stability for many. Meanwhile, the likes of John L. Campbell

(1998) and Vivien Schmidt (2008, 2010a) have sought to conceptualise ideas beyond paradigms as the background cognitive assumptions of elite policy-makers: ‘Public sentiments’ refer to ‘public assumptions that constrain the normative range of legitimate solutions available to policy makers’; frames are the ‘symbols and concepts that help policy makers to legitimise policy solutions to the public’ (Campbell 1998: 385). In many ways, this thesis seeks to see how, in the case of austerity, the latter resonated with the former: while public sentiments can be understood as the mood of the times, ‘frames’ can be understood as crisis narratives.

	<b>Concepts and theories in the foreground of the policy debate</b>	<b>Underlying assumptions in the background of the policy debate</b>
<b>Cognitive level</b>	<i>Programs</i> Ideas as elite policy prescriptions that help policy makers to chart a clear and specific course of policy action	<i>Paradigms</i> Ideas as elite assumptions that constrain the cognitive range of useful solutions available to policy makers
<b>Normative level</b>	<i>Frames</i> Ideas as symbols and concepts that help policy makers to legitimize policy solutions to the public	<i>Public sentiments</i> Ideas as public assumptions that constrain the normative range of legitimate solutions available to policy makers
<b>Table 2.1</b> Campbell’s (1998: 385) typology of ideas		

As I suggested earlier in the chapter, the period of crisis since 2007 has led to many different interventions in different times and spaces. Yet, each crisis requires different forms of legitimacy. Andrew Baker (2012) has shown that crisis narration and

ideational change is easier to instigate in the ‘back stages’ of the policy-agenda, such as in financial regulation, where technocrats can introduce change quietly. ‘Front stage’ issues, such as changes to tax, property, and credit policies – what Seabrooke (2006: 3) terms the ‘financial-reform nexus’ – directly affect normal life chances, thus require politicians to engage in a process of legitimation or, at least, avoid blame for unwelcome changes. Public spending and taxation policies – the obvious target of fiscal consolidation – are, unlike financial regulation, most certainly front stage issues. This distinction, however, is far from clear-cut. For instance, Paul Langley argues how the Troubled Asset Relief Program (TARP) in the US – an intervention that could appear as ostensibly backstage – was justified in terms of not just securing the finances of every American, but also in terms of saving a small part of the American liberal life (Langley 2013b: 119-20). However, since TARP essentially used state funds to save the otherwise vilified finance sector, these legitimation claims may seem necessary. Andrew Baker’s (2013) empirical focus, meanwhile, on seemingly arcane shifts in perspective in financial regulatory networks is firmly backstage and not costly. The crucial difference, it appears, is direct or indirect impact upon life chances – and, in particular, the use (and potential abuse) of state funds (see Ross 2004).

However, despite the conceptual focus on how crisis narratives must resonate with the mood of the times in order to be conferred legitimacy, the concept typically remains just that: a concept. Empirical analyses of crises do not typically include an engagement with the mood of the times – and when they do, it is typically through a methodological proxy such as media narratives (Hay 1996a). This sort of approach to the study of the process of social construction means prioritising ‘elites as the carriers of ideas and the main agents of change’ (Schmidt 2010b: 198). The social

construction of crises is not necessarily a process that is reducible to policy, legislative and media texts; it is something that also occurs on an everyday level whereby people are constantly drawing on intersubjective knowledge and experience when making sense of various political issues. Even more simply, elites cannot just say what they want, for their programs and prescriptions must resonate with an audience. It is for this reason that ‘methodological elitism’ – so-called because although it acknowledges attempts to conceptualise beyond elites and the media, it equally acknowledges how there is little concrete methodological commitment apparent in the subsequent analyses – is problematic. Before we can fully disaggregate and operationalize the concept of the mood of the times in Chapter 3, we need to first review the ‘Everyday IPE’ call to move beyond elites and to reconsider legitimacy.

### **2.3.2 Legitimacy and the Everyday IPE challenge**

‘Everyday IPE’ is a burgeoning research programme that seeks to reverse the top-down nature of ‘regulatory’ IPE by highlighting examples that demonstrate how non-elite actors can drive change in the global political economy (Hobson and Seabrooke 2007b, Seabrooke 2007a, 2010a, Langley 2008, Montgomerie 2008, 2009, Broome 2009). Far from reflecting a homogenous methodology, we can follow Matthew Watson’s (2013a) useful distinction between two strands of Everyday IPE: ‘everyday politics’ and ‘everyday life’, which typically adopt historical sociology and Foucauldian methodologies respectively.

‘Everyday politics’ uses historical sociology to show how the existing economic order has been transformed by ‘individual acts of agency that snowball through mimetic behaviour in something approaching collective action but without necessarily any

formal protest' (Watson 2013a: 5). These historical sociological strategies tend to envision everyday politics as the accumulated outcome of a critical mass of individual belief-driven acts (Hobson and Seabrooke 2007a). This means that while everyday politics can indeed often matter, it is not always through acts of purposeful resistance, e.g. how intersubjective understandings about a currency can effectively make or break monetary reform (Broome 2009). As such, the 'everyday' is subsequently aligned with an accumulated (critical) mass of non-elite actors going about their normal (financial) business trying to maximise their life-chances in line with conventions and norms about how the economy ought to work. In contrast, 'everyday life' uses Foucauldian methodologies to look at how 'agents enact certain subjectivities in line with the production of prevailing structures' (Watson 2013a: 5). This work is often predicated on the observation that with Anglo-American financialised capitalism operating at increasingly low level, a great number of normal people and households have realigned themselves as investors due to the increased embedding of finance in everyday life (e.g. Langley 2008). The question then becomes how these subject positions are constituted, which is done by conducting analyses akin to a Foucauldian 'history of the present'.

As Chapter 3 shows, the methodology of this thesis is far more closely aligned with the everyday politics strand than it is with everyday life. This everyday politics strand is particularly useful for our purposes here since something akin to the public sentiment or the mood of the times is given a more prominent role in explaining how the imperatives of crisis are legitimated. Empirically, Seabrooke (2007a) argues that the Keynesian revolution in British interwar economic policy was made possible by shifting everyday expectations about the economy. In contrast to elite understandings at the time, mass conventions considered equality and fairness as increasingly

important parts of a functioning economy. The gap between public and elite ideas about justice lent the eventual elite Keynesian demand-side thinking legitimacy. Furthermore, Matthew Watson (2009a), in the more recent context of the 2007-8 global financial crisis, argues that a middle-class moral panic regarding falling house prices shaped the Labour Government's response to banks' bailout demands. With middle-class homeowners positioned as beneficiaries of the rescue plan, the moral panic gave important legitimacy to the Government's positive response to banks' bailout demands. Both of these studies, however, rely on methodological proxies in the form of secondary sources to make claims about the lived experiences of non-elite actors. While this is entirely consistent with the methodologies deployed, it would be mistaken to believe that accessing primary sources, when possible, would not be beneficial. To highlight how and why this is so, it is worth briefly unpacking the concept of legitimacy by critiquing how it is commonly used implicitly and explicitly in constructivist literature.

Legitimacy is of course one of the central concepts in the social sciences. Understanding or explaining how governments and institutions sustain political authority, stability, and a shared sense of possibility has long been a central concern of both political science and IPE (e.g. Barker 1990, Brassett and Tsingou 2011), as has more specific questions regarding how the powerful attempt to legitimize or justify their specific actions to a broader public. This latter concern has been at the center of existing constructivist approaches that often analyse the legitimation claims and justifications of the powerful. Although it is rarely discussed in explicit terms, this endeavor necessarily contains an underlying theory of legitimation that could be expressed and exposed as answers to a number of basic questions: Why study the legitimation claims of some actors rather than others? What is it that actors do when



they make legitimation claims? And what sorts of knowledge claims can or should the study of such legitimation claims support?

In his book *The Social Sources of Financial Power*, Leonard Seabrooke (2006) provides invaluable insights into the theory of legitimacy implicit in constructivist and institutionalist scholarship. Seabrooke argues that much constructivist work contains an implicit concept of ‘auto-legitimacy’, whereby elite narratives and the various social relations they underpin are assumed to unproblematically gain legitimacy ‘by proclamation’ (2006: 40). Although not the primary focus of much of this research, this underlying theory of legitimacy-by-proclamation also makes implicit claims about the public – that policymakers and ideational entrepreneurs themselves address and justify themselves to – as the passive referents and recipients of their legitimation claims (Seabrooke 2006: 22). Seabrooke rejects this legitimacy-by-proclamation and turns instead to the Weberian concept of belief-driven action. Through this he is able to reframe legitimacy as a ‘two-way street’ between elite and mass actors, whose interactions he then weaves into an analytical narrative about how positive state intervention intended to improve the life chances of the mass public can be an important source in the international financial capacity of the state.

The legitimacy-by-proclamation thesis also reflects another common albeit wider underlying theory of legitimacy in the social sciences in general. That is, the notion that legitimation is conferred through those without power having the *perception* that the actions of those with power is fair and legitimate. The result of this formulation is an underlying theory that focuses on how legitimation claims help propagate ‘perceptions of legitimacy’ or the ‘construction of legitimacy’ with little reflection on whether the legitimation claims in question have worked in convincing or coercing the audience of the justness or necessity of the action. For David Beetham (1991), this

is a view that is widespread across the social sciences: legitimacy as synonymous with belief-in-legitimacy (Beetham 1991: 6-19, see also Clark 2003: 80, Seabrooke 2006: 45, and Reus-Smit 2007: 158: 158). The modern incarnation of this view is perhaps to be found in the popularity of survey research in social sciences, in which an aggregation of individual beliefs and preferences in favour of a certain system or a particular policy is provided as evidence of legitimacy.

For Beetham, this has a deleterious impact upon how legitimation is analysed. The central problem with this definition is that scholars end up assuming that if people believe in the legitimacy of those with power then it must be because the powerful have managed to convince (or trick people) people that they are legitimate (Beetham 1991: 10). Consequently, the question of legitimacy is placed within the hands of the powerful themselves, thus reinforcing and supporting the top-down focus of existing approaches that assume that the best data source for understanding legitimation is media and elite texts. For Beetham, this is not just an analytical or methodological pitfall since it also empties ‘the concept of legitimacy of any objective reference or moral content’ (1991: 9). Nevertheless, the central mistake he identifies is to separate people’s individual beliefs about legitimacy from the intersubjective *grounds* or *reasons* for holding them in the first place – which are to be found not in the aggregated individual minds of people but in the shared values of a society or the ability to satisfy the interests of key social groups (1991: 10). This formulation of legitimacy is not only superior in its explanatory potential, but it also fits very well with the constructivist methodology outlined above.

Beetham goes further in arguing that legitimacy is not conferred by belief *per se* but through *justification* via *shared* beliefs: ‘a given power relationship is not legitimate

because people believe in its legitimacy, but *because it can be justified in terms of their beliefs*<sup>10</sup> (1991: 11). As Beetham (1991: 11) explains in more detail:

This may seem like a fine distinction, but it is a fundamental one. When we seek to assess the legitimacy of a regime, a political system, or some other power relation, one thing we are doing is assessing how far it can be justified in terms of people's beliefs, how far it conforms to their values or standards, how far it satisfies the normative expectations they have of it. We are making an assessment of the degree of congruence, or lack of it, between a given system of power and the beliefs, values and expectations that provide its justification. We are not making a report on people's 'belief in its legitimacy'.

Seabrooke helps in unpacking this argument. He argues that the idea of legitimacy as belief alone must be rejected since people believe something holds legitimacy 'because they can justify it in accordance with their experience of the world' (Seabrooke 2006: 45). Legitimation then, is not conferred by belief but by belief-driven *action* 'between those who claim that their actions have sufficient legitimacy and those who can confer or withdraw their consent for the actions' (Seabrooke 2006: 45). Rather than a condition, legitimation is thus a continual *process* in which authority may or may not become eroded and (as Chapter 3 outlines in more detail) 'gaps' may emerge between the lived experiences and normative expectations of what the state provides.

This formulation of legitimation has important implications. For one, it suggests that the power of ideas cannot be reduced to the 'means of power available to those who control their dissemination' but should be 'measured' in terms of their credibility to the recipient (Beetham 1991: 106). The imperatives engendered by a certain crisis are not legitimate because those with power say so – an example of the legitimacy-by-proclamation thesis – but because the story can be justified in light of existing assumptions and *lived experiences*. As I suggested above, although Everyday IPE

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<sup>10</sup> This is just one of three factors that make can confer legitimacy in Beetham's framework, along with (1) via meeting rules and laws and (2) via actions that express content.

(particularly the everyday politics strand) is in part premised upon reversing the top-down nature of IPE by incorporating the question of legitimacy, it tends to rely upon methodological proxies and secondary data. While these represent in principle fine and appropriate data sources for the study of legitimation, it is justified to still suggest that if legitimacy can be conferred by justification via shared beliefs, then collecting primary data that captures those justifications first hand is surely a very useful source.

### **Summary**

In sum, then, this framework allows us to go beyond the pitfalls of methodological elitism in IPE and the drawbacks of using methodological proxies in Everyday IPE. Specifically, it allows us to explore *the extent to which the austere imperatives of the socially constructed debt crisis resonate with the mood of the times, i.e. the extent to which they can be justified via shared beliefs and lived experiences, thus conferring a degree of legitimacy to the fiscal consolidation strategy.*

### **Concluding remarks**

This chapter has outlined the basic conceptual foundation for this thesis. It has made three distinct points. First, it has outlined the most foundational principles for a constructivist methodology. Second, it has highlighted how crises can be conceptualised as an enacted process of problem definition, narration and intervention. Third, when these crises are in the front-stage of the financial-reform nexus, such as the debt crisis is, they must resonate with the mood of the times (i.e. be justifiable by shared belief) if they are to be conferred necessary legitimacy. While Everyday IPE provides a method for studying the legitimation of political economic change without recourse to top-down analyses, these studies tend to rely upon methodological proxies and secondary data about the process of this justification. While this suits the specific

puzzles and methodologies they ask and employ, primary data of these justifications in practice will provide the sort of data that can provide the in-depth analysis and understanding that this thesis seeks. The question then turns over to fully disaggregating and operationalizing the ‘mood of the times’ and to selecting appropriate methods and data collection, the focus of the next chapter.

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## Chapter 3. From time machines to focus groups: An everyday politics method

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Would political economy possess a strengthened explanatory capacity if its exponents were equipped with a time machine? Yes, it would – at least, according to Leonard Seabrooke (and possibly Michael Mann too<sup>1</sup>). Seabrooke (2007b) argues that while the conventional concepts used to explain political and social change are both powerful and useful, they are not perfect. The explanations they help generate are often reasonably simplistic: typically assuming change is overtly path-dependent or that effective ideational or norm entrepreneurs drive history (Seabrooke 2007b: 396-402). Equipped with a time machine, however, the political economist could go back to, say, the eighteenth century and talk to people in order to work out how they think the economy *ought* to work (Seabrooke 2007b: 391). This exercise would provide a lot of information about what is seen as just. This in turn will help us explain how some relations are seen as acceptable and others not, and why some change is

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<sup>1</sup> According to Seabrooke: ‘This is not my invention. According to legend, Michael Mann asks his students to imagine projecting themselves back in time to ask ordinary folk about their lives, in order to convey what historical sociology should aim for as a field of study’ (2007b: 410).

reluctantly accepted or actively rebelled against. More specifically, it may allow us to see in greater detail how (to deliberately invoke E.P. Thompson's famous study) food riots in eighteenth century Britain were not just driven by hunger, but by a form of everyday politics (or moral economy) that sought to restore fairness in burgeoning market relations (see Thompson 1971). In other words, this exercise would provide important clues as to how political and economic change is legitimated. In the absence of a time machine, Seabrooke suggests that *historical sociology* is the next best thing: using an approach of document analysis and advocacy interviews in order to trace changing norms. This chapter seeks to slightly divert from this view, by virtue of the contemporary nature of my research puzzle. As Steiner Kvale asks, 'If you want to know how people understand their world and their lives, why not talk to them?' (Kvale and Brinkmann 2009: xvii).

This chapter has two central aims: first, an analytical framework that unpacks what is meant by 'everyday' and then disaggregates and operationalizes the concept of the 'mood of the times' into three distinct parts; then, second, a discussion of how focus groups are the most appropriate data collection method since they are premised upon studying intersubjectivity. The central argument is that this analytical framework and method is the most appropriate means to proposing an answer to this thesis' puzzle: how do everyday actors make sense of austerity? I have already argued that crisis is an important part of any puzzle to do with austerity. While crises may be enacted by elites, this does not make crisis an exclusively elite phenomenon since the decisive intervention that in part constitutes crisis must be legitimated. One way in which this process can occur is through resonating with the mood of the times; or, to be more specific, when the imperatives of a crisis can be justified by shared belief. If elite actors do not justify their actions within social maxims, then 'they may as well be

talking to the wall' (Seabrooke 2006: 45). Yet the success of this process of persuasion is related to the 'broad mass intuitions of the moment, which will favour one movement to the exclusion of others' (Widmaier *et al.* 2007: 755). This chapter provides a method that seeks to go beyond the previously identified problems with other approaches. It seeks to avoid the methodological elitism of constructivism (that ends up smuggling in problematic one-sided conceptions of legitimation) and the methodological proxies of Everyday IPE (that avoids collecting primary data of everyday justifications in favour of other methods).

The structure of the chapter is built around fulfilling these two aims. The first section begins by outlining what, exactly, this thesis takes 'everyday' to mean. It is argued that everyday politics represents, rather than subordinates in fixed position within specific and formalised power relations, an inescapable *site* within which practices and norms about resource allocation are confirmed and contested. The second part of this first section disaggregates the mood of the times into three parts: public life, sense-making, and legitimacy gaps. Each is unpacked in detail. The second section starts by outlining the intersubjective basis for focus groups, showing how this is intimately related to both the specific sampling strategy used as well as the sort of knowledge claims this thesis makes. The rest of the section outlines the practical side of the research design. It outlines the recruitment strategy, the interview style and questions used, the necessary ethical considerations, and how the focus group transcripts were analysed. The chapter ends by placing this method within the context of Everyday IPE.

### **3.1 Operationalising concepts**



In this section I outline and operationalize some key concepts relevant for the method. First, I offer a definition of everyday politics. Second, I disaggregate the mood of the times into three conceptual parts: public life, sense-making and legitimacy gaps.

### **3.1.1 What is everyday politics?**

How do everyday actors make sense of austerity? That is the primary research question of this thesis. Defining and operationalizing what exactly constitutes an *everyday actor* is the aim of this sub-section, placed here within the thesis as a structure as a whole because it is a decidedly methodological question. The first thing to point out in going about this exercise, however, is exactly what this thesis does *not* take as an everyday actor. For instance, much of the work on legitimacy is founded upon a distinction between rulers and ruled, or elites and non-elites (e.g. Barker 1990, Beetham 1991, Seabrooke 2006), from which a definition of the everyday could naturally flow. While certainly a useful distinction, we should be wary of equating non-elites or the ruled with what the everyday constitutes. For to do so assumes a fixed identity based on *official* positions of power, and ignores the process in which different publics can be assembled around different issues that can transcend those fixed positions. The focus also often smuggles in a relatively narrow conception of what politics entails, often equating it with governments, states, and the intentional efforts to influence them (see Hay 2007, Jenkins 2011) – or, in IPE, the top-down regulation of the world economy (Hobson and Seabrooke 2007a: 2).

Benedict J. Tria Kerkvliet offers a very convincing critique of this. His starting point is to define politics as not only about the control, allocation, production and use of resources but also *the values and ideas underlying those activities* (Kerkvliet 2009: 227). When understood in this way, politics ceases to be synonymous with the formal

activities of governments and states since the allocation (and the values and ideas underlying those activities) of important resources is rarely confined to these spaces. As Kerkvliet (2009: 229) points out, resources are often distributed in corporations, factories, universities, families and numerous other sites and institutions. Crucially, however, the distribution of these resources – on whatever scale – is constantly contested through whether the ideas they are based upon are just. This, for Kerkvliet, is what politics is and involves.

On the basis of this definition, Kerkvliet then goes on to distinguish between three different types of politics: *official*, *advocacy*, and *everyday*. Official politics involves *authorities in organisations* ‘making, implementing, changing, contesting, and evading’ policies over the allocation of resources (2009: 231). The actors in this form of politics typically hold positions of authority, in that they are authorised (in different ways) to make decisions or hold an important (but perhaps indirect) role in the wider decision making process (2009: 231). Advocacy politics involves the *intentional* and *direct* attempts at influencing authorities and thus the way in which resources are allocated (2009: 232). As Kerkvliet points out, advocates are ‘straightforwardly, outwardly, and deliberately aiming their actions and views about political matters to authorities and organisations, which can be governments and states but need not be’ (2009: 232). Political science and political economy tend to focus on just these activities, resulting in a relatively narrow focus.

In contrast to these, everyday politics involves ‘people embracing, complying with, adjusting, and contesting norms and rules regarding authority over, production of, or allocation of resources’ (Kerkvliet 2009: 232). The key way in which everyday politics differs from official and advocacy politics is the lack of organisation and often seeming non-political nature of the actions in question (Kerkvliet 2009: 232, see

also Scott 1990). This chimes very much with Hobson and Seabrooke's understanding of everyday politics (2007a: 1-15). Seemingly mundane struggles over what is considered both procedurally fair and morally "valid" action in line with how the economy ought to work may not be considered overtly political but can legitimate certain interventions (Seabrooke 2006: 46). This is crucial as a reminder that, at a basic and almost counterfactual level, those without the direct authority or influence over official politics still have a capacity to influence political and economic change through rejecting or conferring the claims of the governed (Hobson and Seabrooke 2007a: 3).

This typology highlights the disadvantages of the otherwise useful ruler-ruled distinction. For everyday politics is not intrinsically linked to one's position in society. For even a politician who is normally engaged in official politics, or an activist who is normally engaged in advocacy politics, will still take part in society through the constant everyday negotiation and contestation of norms about the allocation of resources. The everyday, then, is not a signal of one's position in politics or the economy. It is instead a *site*, and not normally a place or activity that one can choose to opt into or out of unless they opt out of society itself. The notion of everyday 'actor' is therefore somewhat of a misnomer. It is used as a way of signalling those who are specifically within a site of everyday politics – as the focus group participants were in this study.

### **3.1.2 Disaggregating the mood of the times**

Following the discussion, an even more pressing question arises: what is the mood of the times? The aim here, in line with the constructivist methodology outlined in the Introduction, is not to theorise or conceptualise the mood of the times as a totality or

as representing some form of world external to mind. The mood of the times is not a real thing to be observed, but a conceptual category that usefully orders our scholarly experiences. The aim is instead to disaggregate the concept in a Weberian ideal-typical manner in order to operationalize it. The resulting ideal-type is artificial and stylised, but more importantly it is also practical and useful. In line with the methodology outlined in Chapter 2, the framework should be judged on the analytical narrative it helps produce rather than the validity of the framework *per se* (see Stanley 2012a). In this section I disaggregate the mood of the times into three parts: (1) the phenomenology or public lived experience of economic downturns; (2) the shared sense-making processes of the mass public; and (3) legitimacy gaps between expectations and experiences of what is fair in the economy.

### ***Public life***

This first part of the mood of the times refers to the *public lived experience* of the recession and subsequent austerity. In line with the intersubjective basis of this framework, this public life is not, on the one hand, logically linked to subjective and individual experiences of hardship – of which there were undoubtedly many examples in the UK since 2008. On the other hand, neither is public life in this sense demonstrable through aggregated economic indicators such as unemployment, since it is the intersubjective basis of those experiences that is most relevant. C. Wright Mills' distinction between private troubles and public issues is useful in illuminating this. While private troubles are deemed to 'occur within the character of the individual and within the range of his [sic] immediate relations with others; they have to do with his self and with those limited areas of social life of which he is directly and personally aware' (1970 [1959]: 14-15), public issues transcend these local environments and instead concern 'society as a whole' and the 'larger structures of social and historical

life' (Mills 1970 [1959]: 15). One of Mills' points is that there is no inherent logic behind how and when private troubles become public issues since the latter are socially constructed. For what I am interested in here is this public life of recession and austerity and how the social order is seen to have been affected, which is not an objective condition but one that is formed collectively and intersubjectively (Blumer 1971).

To take this nascent conceptualisation further and relate it directly to a notion of crisis, we can draw on Jürgen Habermas' (1976) *Legitimation Crisis* for inspiration. While Habermas' extremely ambitious and tentative overall theory of crisis and capitalist development outlined in the book has little direct applicability to this thesis as a whole, some of the insights he provides are very useful. An extended review of Habermas' theory is not required for these reasons. Nevertheless, Habermas theorised the process in which an economic crisis will eventually via the logic of crisis displacement become a problem of political-administration (i.e. rationality and then legitimation crisis) and then even a socio-cultural problem (i.e. motivation crisis) that would endanger the stability of the capitalist system itself (see also Held 1980: 284-95, Hay 1996b: 88-92). These four crises – economic, rationality, legitimation and motivation – were categorised by Habermas in various ways in addition to the economic, political and socio-economic categories outlined in the last sentence. One distinction was between objective crises within 'system integration' (i.e. economic and rationality) and more subjective crises within 'social integration' (i.e. legitimation and motivation). This so-called subjective social integration that Habermas identifies is potentially very useful for purposes here, as it implies that a crisis cannot just be reduced to an objective failing within a system but must also incorporate an intersubjective and publicly lived experience too.

It is this focus on the so-called subjective side of crisis that seems to have inspired Hay's earlier work into how crises can be legitimated through resonating with lived experience (Hay 1996a, Hay 1996b). For Hay, Habermas' theory brings into focus how a crisis is dependent upon people making a link between their experiences and the conditions of a deeper crisis: 'Individuals in such a context interpret and make sense of changes in their routine modes of existence in terms of a failure of the system (in this case the state), treating these experiences as confirmation of the crisis diagnosis' (1996b: 89). The question then becomes whether people come to view changes in their lived experiences and disruption to the routine social fabric of public life as symptomatic of a systemic political and economic crisis (Hay 1996b: 92)? If so, the mood may be receptive to a more drastic or revolutionary change; if not, the mood may be receptive to inertia.

Erving Goffman's (1971) work on public interaction can help us take this line further forward still by inviting us to consider the sociological phenomena of the disturbance of 'normal appearance' (1971: 238). Goffman argues that social orders rely on a constant 'confirmation that everything is in order' whereby things can be taken at face value (Goffman 1971: 239). When the world appears to let people continue their normal routines, we can say that the person senses that appearances are 'normal' (Goffman 1971: 239), but should something prove to be 'up' then expectations can be shaken (Goffman 1971: 239). These things that are 'up' can be seemingly trivial occurrences, but by breaking or disturbing expectations (or 'normal appearance') seemingly disproportionate responses can be deemed necessary. All that is necessary to destabilise the social order is for the veneer of normal appearances to be broken (Goffman 1971: 241, see also Watson 2009a: 430). What matters, then, is disruption of norms or expectations as a collective problem that may aid the transition of private

troubles into public issues<sup>2</sup>. The point being that associated lived public experiences that can elicit and provoke different interventions in the name of crisis differ according to the extent to which those imperatives can be justified by shared belief and experiences.

To make this sense of public life as part of the mood of the times researchable, we can distinguish between three parts as eventually reflected in the structure and content of the analysis in the latter half of Chapter 4. First, we can look at general and widespread mass privation, and how such a public issue may lead to drastic political and economic change being demanded. There clearly been much private troubles in this regard. However, due to the expansion of welfare and financialisation, massive wealth and income inequalities, and the continued demonization of the poor as the architects of their own hardship, a public experience of mass privation is and was not a realistic possibility during the recent economic downturns in Britain<sup>3</sup>.

Second, we can examine the extent to which critical events – whether mediated or directly lived – are experienced as symptomatic of wider systemic faults that, too, may invite radical change and upheaval or more incremental change. Jack Holland

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<sup>2</sup> It must be stressed at this point that the extent to which the ability for private troubles to become a public issue via the disturbance of normal appearances is extremely contextually and historically dependent. We can speculate that mass unemployment that stays under 10% of the population would not, in the current climate disturb normal appearances since it may follow dominant norms and be explained away as unlucky or the result of a moral failing. High inflation of say above 10%, on the other hand, may be an example of such a public experience since it directly impacts upon most people in society in a detrimental way – but blame cannot easily be shifted onto the individual.

<sup>3</sup> This is not to say it was not a realistic prospect in other parts of the world. Consider, for example, how unusually high food prices had seen mass “food riots” in anything up to 30 developing nations between 2007 and 2009 – including Bangladesh, Burkina Faso, Cameroon, Cote d’Ivoire, Egypt, Ethiopia, Guinea, Haiti, India, Indonesia, Mauritania, Madagascar, Mexico, Morocco, Mozambique, Pakistan, Philippines, Senegal, Somalia, Uzbekistan and Yemen (Hossain 2009). As Hossain points out, two West African countries and Haiti saw governments toppled as a result, and violence against elites in 2009 Bangladesh was explained by frustrations around food inflation (2009: 330).

(2009) has argued that the September 11<sup>th</sup> terrorist attack on the US ('9-11') created such a void. The shocking nature of the events seemed to shatter the pre-existing truths of US security culture, creating an incomprehensibility that meant 9-11 could be narrated as a specific crisis and thus solicit specific responses (Holland 2009: 277-8). Similarly, Colin Hay has shown how a series of seemingly disparate events – including newspaper headlines that Britain could no longer 'bury our dead' and food shortages – were brought together into a wider narrative of (state) crisis during the Winter of Discontent (Hay 1996a: 266). These disparate events were linked through a common narrative of 'the over-extension of the state, the holding to ransom of the country by the unions, the tyranny of the pickets, and so forth' (Hay 1996a: 266). Both of these studies show how a 'paradigm-shifting' crisis was successfully legitimated because it resonated with a particular mood of the times – the uncertainty surrounding the social order following the disturbance of normal appearances<sup>4</sup>. In the absence of such disturbance, there may be a mood for relative political and economic inertia.

While these first two aspects of public life may be adequately researched using secondary materials, one benefit of the focus group method used in this thesis is that it provides an additional relevant source of data. With this in mind, the third way to study how the imperatives of a crisis resonated with public life is to analyse how specific sub-groups of the public report on their own experiences in this regard. These

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<sup>4</sup> One of the interesting things about these studies is how they show that a distinction between mediated and directly lived experiences may not make that much sense in this context of disturbing normal appearances. The very emotive and elaborate expressions used by members of the public as reported in the ethnographic accounts analysed by Holland (e.g. '[it] made it difficult to talk... speaking clearly wasn't really happening at that point, it was very difficult', 'At first I wasn't angry, because I couldn't believe what was happening', 'I felt nothing because I couldn't understand') highlight how the experience of 9-11 for many Americans was visceral and embodied due to the sheer scale of the shock induced – and this was not dependent upon them actually being at the scene of the terrorist attack in person.



can be used to gauge the extent to which there has been shared experiences of events symptomatic of a systemic problem and to what extent private troubles have translated into public issues within the context of disturbed normal appearances.

In sum, I have identified three potential ways in which the public life (as one of three aspects of the mood of the times) during times of recession and austerity may be 'up' sufficiently enough to disturb normal expectations to engender radical political and economic change. These are: first, widespread and mass public privation; second, mediated or directly lived critical events; third, the experiences of sub-groups as reported in focus group findings.

### ***Sense-making***

The second part of the mood of the times refers to how people make sense of the object that is in crisis. That is, how they draw upon a wide range of different cultural resources from their own lives to make sense of crises, and how they use these resources to, if necessary, weave their own justificatory narratives. William Gamson's (1992) *Talking Politics* is a particular inspiration here. In the discussion of his study into how working people negotiate and discuss politics, Gamson urges us to think of each political issue 'as a forest through which people must find their way' with various cultural sources providing 'maps indicating useful points of entry [and] signposts at various crossroads' (Gamson 1992: 117). Gamson then categorises these 'maps' as originating from one of three possible sources: *the media, popular wisdom, everyday experiences*. Each will be looked at in turn.

While 'various frames in media discourse provide maps indicating useful points of entry [and] provide signposts at various crossroads' in this metaphorical sylvan and poetic journey, Gamson found that 'many people do not stick to the [media] pathways

provided, frequently wandering off and making paths of their own' (1992: 117). Gamson concludes – perhaps surprisingly for a scholar who made his name in analysing the power of media discourses – that the media is not necessarily *the* most important resource but is round about equal among three. Since analysing the impact of media narratives on preferences and attitudes is not possible through focus group research, this means that this cultural resource for everyday sensemaking will not be a significant part of the empirical analysis. Although far from ideal, it is satisfactory to instead assume that the media is influential without being able to pinpoint the extent to which it is. For what it is worth, recent research into policy narratives has shown that media narratives are influential in two equally frequent ways: first, 'preach to the choir' by strengthening existing opinions, and, second, they 'convert' by strengthening opinion in the opposite direction (Shanahan *et al.* 2011). Since this thesis does not have the space nor the resources to analyse both media and everyday narratives of crisis, the media is assumed to be an otherwise important factor in generating austerity acquiescence.

The second of Gamson's sources in everyday sense-making is popular wisdom. Popular wisdom refers to taken-for-granted knowledge and maxims that are often used to make a point in conversation and are reliant upon the assumptions that are shared. Popular wisdom is very similar to Claudia Strauss' 'conventional discourse' concept: an oft-repeated and shared schema, a conventional discourse is a formulaic expression that conveys a set of assumptions which is used to make sense of political issues and justify a particular stance (2012: 15, 60). This shared aspect is important since popular wisdom depends on those very basic and foundational beliefs and assumptions that 'everyone' knows. However, 'the greater the degree of homogeneity of life experience among a group of people, the greater the popular wisdom available

to them as a resource' (1992: 123-4). More specifically, popular wisdom is often utilised through (1) rules of thumb and (2) analogies to everyday life situations (Gamson 1992: 124). As Chapter 5 shows, an important rule of thumb in making sense of the fiscal deficit is the notion that 'one must pay back what one owes', while an important everyday analogy involves making sense of the state as if it were a normal household.

The third of Gamson's sources in everyday sensemaking is experiential knowledge. Gamson found that people frequently made points in his focus groups 'by telling a story' (Gamson 1992: 122). While these stories were sometimes from secondary sources such as from television or from a newspaper, the majority of the anecdotes were about themselves or at least someone that they know personally (Gamson 1992: 122). More specifically, experiential knowledge is often utilised through emblematic anecdotes that seek to make a broader point about how the world works (Gamson 1992: 122). Experiences in the form of anecdotes have a privileged place in conversation (see also Atkins and Finlayson 2013). Although experiential knowledge relies less on sharedness and is thus unique to the individual, it can still be important in collective meaning making – especially when participants sometimes offer corroborating stories. As Chapter 5 shows, the focus group participants sometimes used anecdotes from their own lives (e.g. being able to get as many credit cards as they liked) to make a point about how imprudent the use of credit was in the years leading up the economic downturn.

Analysing this sense-making process can tell us about legitimacy by showing us how political change is or is not justified by shared belief. Ted Hopf (2002), who used focus groups to analyse the politics of post-communist transition, provides an illuminating distinction between whether change is 'legitimised' or 'naturalised'.

Naturalisation occurs when a population's acceptance of a regime and its politics is borne from an 'unthinkability' of any alternatives (Hopf 2002: 403) but legitimation occurs if changes can be fully justified in an open and pluralist discussion. It is thus assumed that if sufficient amount of justifications draw upon the same shared popular wisdom or similar experiences in narrating crisis, then we can make a claim about how that decisive intervention is conferred legitimacy.

### ***Legitimacy gaps***

The third part of the mood of the times invokes the notion that crisis narratives can be conferred legitimacy if they are seen to close so-called 'legitimacy gaps'. A legitimacy gap exists 'when there is space between claims to fairness and rightfulness of policy actions by those governing, and the conferral of these claims evident in the expressive practices of the governed' (Seabrooke 2007a: 796). In other words, it is a gap between expectations and what is perceived as delivered, to the extent that it can be considered unjust in line with shared beliefs. If the decisive interventions solicited by crisis narratives are seen to close these gaps, then that intervention will be justified by shared beliefs by promising to make the economy fairer in line with dominant conventions. Since legitimacy gaps are essentially contests over how the economy *ought* to work (as related to morality and one's place in society), sociological theories are useful.

Recall how the financial reform nexus, the front stage areas that require legitimation discussed briefly in Chapter 2 includes tax. Since debt is the central symbol in the politics of austerity – with the fiscal deficit at the forefront of these disputes – tax is going to be relevant. Insights from fiscal sociology are especially useful here (O'Connor 1973, Block 1981, Campbell 1993, Cameron 2006, 2008a, Martin *et al.*

2009a, Prasad *et al.* 2009, Kidder and Martin 2012, Schäfer and Streeck 2013a). The approach allows us to denaturalise what we see as tax and appreciate the unique and curious situation in which taxes are a set of ‘obligations to contribute money or goods to the state *in exchange for nothing in particular*’ (Martin *et al.* 2009b: 2, emphasis added). Tax thus relies on an implicit social contract about fairness and redistribution. It is for these reasons that Schumpeter argued that fiscal sociology is one of the best starting points for an investigation into the peculiarities of social and political national life (Campbell 2009: 163). Of importance then, is to what extent the lived experiences of state spending match expectations about the correct and fair distribution of ‘taxpayers’ money’. As I show in Chapter 6, many focus group participants were suspicious and sceptical about how ‘taxpayers’ money’ was being used and wasted – often drawing on personal experiences through anecdotes to support this view. These discussions provide some evidence of a legitimacy gap, in that in promising to reel back state spending austerity can seem as a promise to halt this unjust use of taxpayers’ money. But to properly understand this legitimacy gap, we will also require a framework to make sense of who or what ‘the taxpayer’ is, since it is often claimed that it is their money that is unjustly wasted.

Kidder and Martin’s (2012) research is very useful in showing how ‘the taxpayer’ can be understood not merely as a citizen who contributes to state revenues, but as a specific group identity constituted in opposition to others. More specifically, they draw heavily on Blumer (1958) in claiming the taxpayer can be analysed as a ‘*sense of group*’ position within a *moral abstract order*. Blumer’s key insight is that ‘social life depends on the working-out of an abstract, but stable and shared, image of the world’ (2012: 125). Blumer argued that race prejudice was experienced as a sense of group position rather than a set of individual feelings that members may have for

those in another group (1958: 3). This meant recasting racism away from psychology, and towards understanding it as a sociological and collective process of group formation (1958: 3). There are two important features for our purposes. First, to characterise another group is, of course, to define one's own group (1958: 4). The sense of group position emerges from this necessarily relational experience (1958: 4). These relations, however, are not intended to reflect the 'objective relations' between groups, rather 'it stands for 'what ought to be' rather than 'what is' ... it is a sense of where the two groups *belong*' (1958: 5). Second, this order is necessarily *abstract*, in the sense that the groups are defined as an entity or whole (1958: 6). This is important, for it suggests that these relations take place in 'the area of the remote and not of the near ... it is not the experience with concrete individuals in daily association that gives rise to the definitions of the extended, abstract group' (1958: 6).

Kidder and Martin conducted 24 semi-structured interviews with white business owners and managers in Tampa, Florida. Unsurprisingly, they discovered hostility towards taxation. However, they found dominant explanations that emphasise ideology or interests did not reflect how tax was actually discussed in overly moral terms (2012: 124) – that is, the participants did not speak directly about morality of tax, but 'they talked about tax *in moral terms*' (2012: 126, emphasis in original). They use Blumer's group position framework to show how tax was experienced through an abstract moral order. The interview participants typically saw themselves as an abstract category of person, 'the taxpayer': virtuous, hard-working citizens who were contrasted against undeserving poor who do not work hard (2012: 126). 'Without exception', Kidder and Martin explain, the participants 'saw themselves in the former group, and they asserted the moral principle that those who have worked for their money should be rewarded and their efforts protected from idlers' (2012: 126). Those

‘idlers’ were often characterized through stereotypes, such as welfare cheats and fat-cat bankers (2012: 126). In producing this sense of group position, the participants portrayed tax as a threat to the moral order because they believed it would deprive the hard-working taxpayer while rewarding both the undeserving rich and poor (2012: 124). If there is a widespread experience of this order being compromised, then a ‘gap’ will emerge. Likewise, government intervention that promises to help close that gap, and thus uphold the way society ought to be ordered, is likely to receive support. Chapter 6 details how this relates to legitimating and accepting austerity.

### **Summary**

Crisis is a process of problem definition, narration and decisive intervention. In order to achieve legitimacy, crises should resonate to an extent with the mood of the times – or, in other words, they must be justifiable via shared beliefs. This section has argued that the mood of the times can be disaggregated into an analytical framework so to make it researchable. These three parts are: (1) the public life of an economic downturn; (2) the role of sense-making in everyday narratives of crisis; (3) legitimacy gaps between the experiences and expectations in the use of ‘taxpayers’ money’. This analytical process is necessarily artificial. Naturally, a sense of group position matters to the public life of crisis, just as the use of experiential knowledge in the form of anecdotes can illuminate legitimacy gaps in ‘taxpayer’s money’. Since all three parts are influenced by sociological literature, *intersubjectivity* is a streak that runs through the entire framework. It is this foundation that makes focus groups a highly appropriate method. The next section shows how this is so, while simultaneously outlining the theoretical and practical foundation for their deployment in this research.

## **3.2 Focus groups**

### 3.2.1 Intersubjective underpinnings

#### *Collective meaning making*

The conventional and founding literature on how to conduct focus groups in social science research is typically shaped by its history as a specific method of market research (and latterly as a political tool used to canvass public opinion) and the general predilection of social science towards an implicit neopositivist methodology (Parker and Tritter 2006: 23, Savigny 2007). While some of this literature can be still useful at times, it does require some critical vetting. Within this world, focus groups represent ‘a research technique that collects data through group interaction on a topic determined by the researcher’ (Morgan 1996: 130). Typically, they consist of ‘structured discussions among 6 to 10 homogenous strangers in a formal setting’ (Morgan 1996: 131). While *not* suitable for investigating public opinion or consensus, focus groups are used ‘to determine the perceptions, feelings, and thinking of people about issues’ (Krueger and Casey 2000: 12) and uncover factors that influence behaviour, opinions, or motivation (Krueger and Casey 2000: 24). The purpose of focus groups is to *understand* how a particular population or group process and negotiate meaning around a given situation. Subsequently, the ‘rules of thumb’ for conducting them are distinctive (see Table 3.1).

1.	Use homogenous strangers as participants.
2.	Rely on a relatively structured interview with high moderator involvement.
3.	6 – 10 participants per group.



4.	3 – 5 groups.
(Source: Morgan 1997: 34)	

These rules of thumb (especially the second and third), however, do not directly translate into the sort of social scientific research conducted for this thesis. As Bloor and his co-authors explain, there is a difference between using focus groups to collect data on group reactions to stimuli and instead using them to ‘generate data on the group meanings that lie behind such collective assessments, on the group processes that lead to such assessments, and on the normative understandings that groups draw upon to reach such assessments’ (Bloor *et al.* 2001: 17). Despite this second wave of literature that emphasises the truly qualitative potential of focus group research, the method continues (in political science, in particular) to be viewed through the lens of public opinion research, i.e. aggregating individual preferences and attitudes from a systematically random sample in order to extrapolate about the public opinion of a wider population. Seen in this methodological light, focus groups will almost inevitably be negatively evaluated, downgraded from a primary method to one that must be supplementary to quantitative counterparts (e.g. Copsey 2008). Despite this, there are now numerous examples of focus groups as a primary method in research about politics (e.g. Gamson 1992, Hopf 2002, O’Toole 2003, Marsh *et al.* 2007, Hopkins 2007, Tonkiss 2012, Jarvis and Lister 2012)<sup>5</sup>.

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<sup>5</sup> There is a second wave of political science research using focus groups that, at the time of writing, is yet to be published (e.g. Stoker and Hay 2012, Jackson and Hall 2013, Vaughan-Williams and Stevens 2013).

It must be remembered that this thesis is not making claims about public opinion. It is instead making claims about the mood of the times: an intersubjective consensus for the legitimacy of change that transcends individual beliefs and possesses a collective semi-permanence (Widmaier *et al.* 2007: 750) – which was disaggregated into three operationalisable parts that seek to analyse how crises are conferred legitimacy via shared belief. This reflects the purpose of focus groups to *understand* how a particular sub-group processes and negotiates meaning around a given situation. In this sense, they are undeniably and necessarily bound up within the logics of qualitative enquiry, which is gaining increased acceptance in political science as a legitimate research methodology (e.g. Yanow and Schwartz-Shea 2006).

At this point we must return to and flesh out the constructivist methodology outlined in Chapter 2 but with more specific methods of data collection and analysis to build upon. One of the central points of this methodology is that since the observing-mind cannot be logically separated from the observed-world, scholarly knowledge should be adjudicated on how well it can usefully order and analyse practical experiences. Since this monist position rejects the fundamental separation between object and subject, it can translate rather seamlessly into a substantive focus on intersubjectivity. A neopositivist approach to focus groups as reflected in opinion poll methodology may envisage the individual as the central unit of analysis as reflected in an attempt to unearth real and objective beliefs and opinions held in the minds of participants (Hollander 2004: 611, Munday 2006: 95). In contrast, in a constructivist approach to focus groups ‘all knowledge is seen as dependent on the social context of its production [which] also points in the direction of actively including the social interaction’ rather than worrying about biases and cross-contamination of individual beliefs (Halkier 2010: 74). Rather than the individual, this constructivist methodology

envisages the intersubjective norms and meanings of specific sub-groups as the meaning of analysis.

As Bobby Calder recounts in his seminal article on focus groups, intersubjectivity, as originally used by Alfred Schutz, ‘refers to the common-sense conceptions and ordinary explanations shared by a set of social actors’ (Calder 1977: 358). This is exactly why the focus group literature talks of ‘how people construct and reconstruct their stories’ (Barbour 2007: 42) or ‘the processes whereby meaning is collectively constructed’ (Bryman 2008: 476). The collective element goes hand-in-hand in intersubjectivity, and is an advantage focus groups have over individual interviews. As Gamson recounts, focus groups represent ‘*sociable public discourse*’ in which participants tend to act as if ‘speaking to a gallery’ as governed by the norms of public discourse (Gamson 1992: 20)<sup>6</sup>. The clear value added of focus groups lies in their ability through sustained ‘retrospective introspection’ to reveal previously taken for granted assumptions that underpin our rarely articulated but common sense stock of knowledge (Bloor *et al.* 2001: 5).

But where, exactly, do these meanings come from? How are they shared? And who shares them? Turning back to Schutz, Calder (1977: 358) points out that a key factor in intersubjectivity is ‘the actor’s assumption that others see the world in the same way ... Intersubjectivity is thus defined socially, not individually’. Intersubjectivity is thus closely related to common patterns of socialisation: ‘The key variable is the degree of personal contact and similarity of socialization, which is basic to all social groupings, such as those based on social class, geographic location, race, or whatever’ (Calder 1977: 358). These arguments have a lot in common with Berger and Luckmann (1966), who themselves draw extensively on Schutz (Berger and

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<sup>6</sup> This issue of everyday talk is explored further in Appendix 7.

Luckmann 1966: 9), to describe the process in which common-sense knowledge is constructed. This has important implications for sampling.

### *Sampling strategy*

Two points are important at this point. First, if we are to, uncontroversially it must be said, assume that intersubjectivity is dependent on socialisation (similar upbringing, similar experiences) – and that focus groups are being used to study intersubjectivity – then it is crucial that focus group participants have a lot in common. This is the reason the focus group literature consistently recommends using ‘homogenous’ participants (e.g. Morgan 1996: 131, 1997: 35, Krueger and Casey 2000: 10, Wilkinson 2004: 179, Copsey 2008: 2). Secondly, the aim is to understand acquiescence to austerity through interpreting the production of that very position in a form of sociable public discourse. Therefore it makes sense to sample ‘theoretically’ (sometimes also called ‘purposefully’ or ‘paradigmatically’): that is, ‘theorising – albeit at an early stage – about the dimensions that are likely to be relevant in terms of giving rise to differing perceptions or experiences’ (Barbour 2007: 58). In other words, pick different homogenous groups that are hypothetically likely to provide contrasting data. The question then becomes which and whose intersubjectivity?

In this case, one relevant sub-group is middle-income homeowners. The British middle-class are sometimes identified as an important constituency in which politicians either strategically hail their interests to legitimise interventions (e.g. Watson 2009a) or genuinely target their rhetoric at (e.g. Reeves 2007, Holland 2011). ‘Middle England’, for Jack Holland, ‘represents an approximate midpoint of social and political values and a comfortable but aspirant economic position and is geographically clustered in south-east England, parts of the Midlands and suburbia’

(2011: 81). Meanwhile, in Britain, homeownership has become both politically and culturally salient (Schwartz and Seabrooke 2008, Smith 2008, Finlayson 2009). That homeowners are disposed to conservative policy preferences (Watson 2008a) and financial self-discipline (Langley 2008: 193-9) means they are theoretically likely to produce the austerity acquiescence that this thesis seeks to understand. The middle-income home-owning experience of the global financial crisis is important too. While there have been many repossessions, there has equally been many who have not only been insulated due to being asset-rich but some who may have benefitted through base-rate tracker mortgages. For these reasons, middle-income homeowners are the main target group of this research.

A contrasting sub-group that may be hypothetically unlikely to produce austerity acquiescence is community volunteers in impoverished areas. Although there may be some examples of overlaps between the specific individuals inhabiting these sub-groups, those involved in improving their communities are likely to share knowledge and experience that may align them against spending cuts. Poorer areas have suffered disproportionately since 2008. It is thus likely that they will have a more rounded awareness of the deleterious effects of the economic downturn on everyday lives. Additionally, those who help impoverished areas are more likely to be directly or indirectly involved with people who rely upon welfare benefits, one of the main areas targeted for retrenchment by the Coalition government. As a consequence of these factors it is likely that this group will be resistant to the idea of austerity, which is why it represents a relevant sub-group to target as a point of comparison to the main group<sup>7</sup>.

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<sup>7</sup> Appendix 3 explores and justifies these decisions further, while Appendix 7 reflects on the advantages and disadvantages of this strategy.

### *Knowledge claims*

Although some of the specifics of the claims to knowledge have already been touched upon in this section, it is required to properly unpack this logic and the process. Specifically, I need to outline what, exactly, I plan on ‘accessing’ through these focus group interviews and the extent to which claims can be made beyond just the specific participants interviewed. The spectre of the public opinion poll or survey quantitative methodology, which relies on a very specific and different epistemic foundation to focus group research, can haunt qualitative research in the absence of sufficient reflexivity (Bloor *et al.* 2001: 28). In understanding the differences between these methodologies, the epistemic foundations for this thesis can be outlined.

Kvale’s distinction between the interview as a *miner* or as a *traveller* illustrates two contrasting ideal-type epistemic foundations for interviewing. While the miner’s aim is *knowledge collection*, the traveller’s aim is *knowledge construction* (Kvale and Brinkmann 2009: 48). For the miner, knowledge is understood to lie in the minds of interview participants. It is thus akin to ‘buried metal’; something that lies in a potentially deep interior for the interviewer to unearth as cleanly as possible (Kvale and Brinkmann 2009: 48). The interviewer ‘digs nuggets of knowledge out of a subject’s pure experiences, unpolluted by any leading questions [which] may be understood as objective real data or as subjective authentic meanings’ (Kvale and Brinkmann 2009: 48). In public opinion research, it is therefore very important to have a representative sample from which claims can be extrapolated to a wider population: for when these nuggets are understood as beliefs or preferences in response to specifically worded questions, it is likely there will be significant variance between the beliefs and preferences in the mind of different individuals in different circumstances.

Alternatively, the traveller interviewer can be thought of as on a journey. As Kvale explains:

The interviewer-traveller, in line with the original Latin meaning of *conversation* as ‘wandering together with,’ talks along with the local inhabitants, asking questions and encouraging them to tell their own stories of their lived world; some, such as the anthropologists, living for a longer time with their conversation partners (Kvale and Brinkmann 2009: 48).

Knowledge, then, is not merely discovered in (or mined from) the minds of people (Kvale and Brinkmann 2009: 54). It is instead actively created through the process of questions and answers; the product of interviewer and interviewee (Kvale and Brinkmann 2009: 54). It is for these reasons that Kvale describes the interview as literally an *inter-view*: ‘an inter-change of views between two persons conversing about a theme of mutual interest’ (Kvale and Brinkmann 2009: 2). The notion that the data can be contaminated therefore no longer makes sense. For instance, leading questions are not disregarded on this basis but instead potentially put at the forefront of research design in a reflexive manner where appropriate<sup>8</sup>. Put differently, while an interview driven by a neopositivist methodology will seek to create a ‘pure’ interview that provides a ‘mirror reflection’ of an underlying social reality, an interview driven by a constructivist methodology is comfortable with (if not actually encouraging of) the use of ‘familiar narrative constructs’ in the place of seemingly genuine beliefs in the minds of people (Miller and Glassner 2004: 125-7). As a result, the interview can provide insights beyond just the individual and instead provide knowledge about the intersubjectivity of sub-groups too.

Although each disaggregated part of the mood of the times requires slightly different modes of analysis, there is a shared logic that lies behind how this thesis specifically

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<sup>8</sup> Leading questions could, for instance, prompt interesting and different responses that illuminate a particular mindset or way of thinking.

makes claims. As I just outlined, the focus groups are not being used to make claims about the beliefs of specific people, but rather to make claims about culture in line with the ideal-type methodology outlined in the previous chapter. Recall that we assume a crisis resonates with the mood of the times when its associated imperatives can be *justified by shared belief*; from this we can say that legitimacy has been conferred. The first aim is then to see how austerity is justified, which can be done both directly and indirectly through the sociable public discourse in the focus group discussions.

The next step is to work out the intersubjective bases of these justifications. From the actor's 'thoughts, feelings and motivations' (Strauss and Quinn 1997: 20) tacit understandings can be reconstructed from their sociable public discourse (Quinn 2005b: 4). Since shared understandings of the world allow individuals to comprehend and organise experience (Quinn 2005b: 2) we can look for patterns across different instances of everyday talk from similar people for evidence of such shared and stable understandings (Quinn 2005a: 40-43)<sup>9</sup>. 'In general', according to Claudia Strauss, one should 'take what your interviewees say and consider what else they have to assume for those statements to make sense' (Strauss 2005: 208). The aim is thus to 'peel back' from the cacophony of everyday talk to what shared beliefs lie behind these justifications – that is the norms and assumptions that create the legitimate boundaries of action in the shared process of, for example, narrating a debt crisis or producing the

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<sup>9</sup> In regards to political science, this corresponds with the idea of the bricoleur in some institutionalist literature. Martin Carstensen (2011) discusses this in comparison to the 'paradigm man', the simplified notion of an actor who has internalised a relatively strict and coherent paradigm that informs action. In contrast, the bricoleur has a toolkit, in which different resources are used in a pragmatic fashion. Culture, as a resource, 'exists between and not inside the minds of actors, and the use of culture thus demands some creativity and critical faculty of the actor' .



group position of the taxpayer. This method of peeling back is a means to an end: that is, to seeing what is shared, in order to make claims about the mood of the times<sup>10</sup>.

The mood of the times is a concept designed to capture those shared beliefs and assumptions that are foundational and common sense enough that almost everyone will be at least aware if not supportive of them. Yet the point of the concept is to explore the relational dynamic in which politicians will want to ensure their interventions and policies can be justified by shared beliefs in order to ensure legitimacy. In this respect, it requires pointing out that not all shared beliefs are equal. The Coalition government – particularly the dominant Conservative party – do not need to convince the entire electorate of the necessity of austerity due to the quirks and peculiarities of the UK's first-past-the-post system used in general elections. In this system it is quite possible to be elected to even a majority government by targeting specific sub-groups – often said to be something equated to 'Middle England' (see above). This means that the 'mood of the times' should not necessarily be equated to the mood of the nation *per se*, since it may incorporate the lived experiences of certain privileged sub-groups to the exclusion of others.

These shared beliefs, or shared legitimate boundaries of action, are thus factors that make austerity acquiescence possible. Although each mode of analysis related to each component of the mood of the times has its own subtleties, to push the strength of these claims even further two additional general modes of analysis are used. First, the norms and assumptions that arise from the discussions can be *corroborated* using secondary literature or secondary data. For example, the focus group participants

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<sup>10</sup> However, this does have potential political and ethical problems since it does violence to the subjective and idiosyncratic experiences and voices of the powerless. There is no way simple way round this potential pitfall – as a pre-emptive rejoinder, this is an essential part of the method that should be judged on the practical utility of the ends.

consistently discussed debt as a moral issue, a view that that has garnered much attention from social theory. In terms of data, surveys can be used to support claims about changing social and economic trends. This helps establish these insights as social facts. Second, these norms and assumptions can, where possible, be *historicised*. If shared beliefs, norms and assumptions help us understand certain justifications for austerity, then we must question the sources of these cultural factors. The source of these shared beliefs can be, for instance, popular wisdom that has accumulated slowly over many centuries, and therefore its existence cannot be explained through the imposition of elite rhetoric. Consequently, it can be shown how an important source of austerity acquiescence is, to put it broadly, the mood of the times. It is Chapter 7 that seeks to go beyond the focus group data by theorising and historicising the themes that arose.

These claims can be ‘generalised’ on the basis of two arguments. First, this thesis adopts a position of ‘analytical generality’. The orthodox social scientific understanding of generalizability is derived from statistical logic on the level of the individuals. For instance, a series of preferences derived from a survey needs to be empirically generalisable in that they can be scaled up from a representative sample to a wider population. As a result, claims can be made, in a statistical sense, about individual beliefs. However, since this thesis is not looking at individual beliefs, a different model of scaling up, based on the logical generality of ideal-typical patterns, is required. According to Kvale, analytical generality involves ‘a reasoned judgement about the extent to which the findings of one study can be used as a guide to what might occur in another situation’ based on reasoned assertion and argument (Kvale and Brinkmann 2009: 263). This is similar to transferability (Guba and Lincoln 1989,

Krueger and Casey 2000: 203); the extent to which results from one group can be transferred to a similar group.

Second, the literature states that it is normally after conducting between 3 and 5 groups that 'saturation' point is reached (Morgan 1997: 43, Krueger and Casey 2000: 26). At this point, doing more research for just the purposes of increasing the sample is a waste of resources. According to Morgan, best practice involves determining a target number in planning but be willing to be flexible if saturation is not required (Morgan 1997: 43). Saturation, however, is more than just a strategy for maximising resources: it is also a wager that interviewing more participants from the same subgroup would represent diminishing analytical returns, in that one would expect the same justifications to arise. As a result, the analysis is analytically generalisable. Through saturation and analytical generality, it is possible to make claims about the mood of the times. Although the epistemic basis for the claims is different (and weaker) compared to neopositivist methodology, using this sort of methodology results in insights and analyses otherwise impossible.

### **3.2.2 From theory to practice**

#### ***Recruitment***

I conducted six focus groups, with the number of participants in each discussion ranging from three to ten. Four of these groups, relatively small (the smallest being three, the largest six), were with middle-income homeowners, from four differing affluent areas from within Birmingham (known as groups A1-4). Groups A1-4 were mostly in employment, overwhelmingly in the public sector (although A2 was an exception). Two other groups, relatively larger (both groups contained ten participants), were with those connected to community groups in two differing poorer

areas from within Birmingham (known as groups B5 and B6). The B groups contained a mixture of people. When asked to report their occupation, many did not offer what many would consider a conventional occupation. Instead, the most frequent responses were volunteer or no answer (see Appendix). Although there was a mix of ethnicities, gender and age across the groups I exclude these factors from the analysis because they were disregarded from the sampling strategy (see above). All participants were offered a £20 gift voucher as an incentive to attend, as recommended by the literature (e.g. Morgan 1997: 38).

The A and B groups required different recruitment strategies based on the sampling strategy outlined above. With groups A1-4, it was important that being a homeowner in a middle-income area was the most important factor shared in common among participants. To improve the analytical generality of the resulting argument, the groups were selected from different areas – two that were more affluent, two that were less so (see Appendix 3 for more detail and justification). A database of potential participants living in these areas was compiled, and each 5<sup>th</sup> household was phoned and screened for appropriateness and availability (see Appendix 4 for full breakdown of recruitment method).

With groups B5-6, it was important that being involved in the community was the most important factor shared in common among participants. This meant that cold-calling would be an ineffective recruitment method, as it would be very hard to gauge on the phone how involved someone is in the community. Consequently, participants were recruited via a gatekeeper at a community organisation. The contact put up posters advertising the discussions and asked people in their immediate networks (see Appendix 4). The disadvantage of this was a lack of control, which manifested in larger groups than hoped as well as one duplicate participant. However, these

disadvantages were worthwhile in exchange for access, which would have otherwise been difficult.

### *Interview strategy*

The initial challenge when designing this study was a tension between two concerns. On the one hand, I was concerned that the focus group participants might (think that they) have little to say on the seemingly highbrow topic of austerity and the economy. This was exacerbated since quite a few potential participants I spoke to when recruiting on the phone required persuasion that they possessed the adequate knowledge to take part. After all, for someone who has no professional interest in political economy, ‘how the economy ought to work’ might not be at the forefronts of their minds. On the other hand, I was interested in collecting a certain sort of data that resulted from what Gamson terms ‘sociable public discourse’ (as opposed to ‘sociable discourse’ or ‘public discourse’) – a term that invokes the image of people talking relatively normally and drawing on the same skills they would in a conversation with colleagues or friends. This tension manifested in a concern over how best to ensure that participants discussed the economy in a relatively naturalistic manner. It should be noted that this concern is not over the contamination of data due to a potential misrepresentation of true beliefs, but about ensuring that what was brought into discussion reflected the shared experiences of the participants rather than responding to facilitator questioning. What participants brought to the fore when prompted to talk about the ambiguous and broad topic of austerity, I intuitively felt, would be important.

To dissipate this tension, I designed the focus groups’ ‘questioning route’ (see Appendix 6 for full version) with two things at the forefront. First, following advice

from Krueger and Casey (2000: 42-3), I ensured that there was easy early questions to stimulate a fast and conversational start ('what is it like to live in your area?'), which was then related to the topic ('how has this area been affected by cuts?') that was then opened up from the specific to the general ('why is the UK enforcing spending cuts?'). Second, in case this strategy did not work as well as hoped, I brought along a series of provocative unattributed quotes about austerity and the economy by politicians for the participants to discuss. The questioning route was intended as just that: a route; that is a guide, rather than a prescriptive and structured procedure. Consistent with the approach to interviewing outlined above, the route acted as an ideal-type guide in which to negotiate the 'journey' of the focus group interviews. While the beginning always started the same (with an introduction, 'house rules', and questions about the area), the middle was left to flow naturally depending on what participants decided to discuss. As the moderator, I planned to use the prompts (see Appendix 6) when necessary to either guide the discussion away from topics that were not relevant or to probe a particular point (e.g. following talk about the UK being in a 'mess', asking what exactly this 'mess' is). I always ended the discussion with a deliberate and provocative leading question: 'is austerity necessary?'

The focus group discussions were very successful in providing the sort of data I hoped for. By accident or by design, the worries about a lack of public sociable discourse proved to be unfounded. To the contrary, the participants seemed to very much enjoy the discussions – evident, I think, in the fact that most of them continued for at least a couple of minutes (sometimes more) after I had told them it had ended and switched off the dictaphone. This is not that surprising. As Kvale remarks, it is probably not that often one is provided with the legitimate space to discuss and reflect upon their experiences (Kvale and Brinkmann 2009: 32). The quote prompts were not

required and consequently went unused. One downside, however, was a tendency for several participants to typically dominate the discussions. These dominant characters may have quelled resistance to acquiescence, but it is difficult to know<sup>11</sup>.

### *Ethics*

Although this study has no clear ethical objections, it is still an obligation for any research involving human participants to explain and justify how precautions were taken to minimise potential harm. Obtaining consent was done in two ways. Firstly, informal consent was conferred when participants agreed to participate over the phone. Secondly, formal consent was ensured through participants' signature on an official consent form. It was made clear that participants could withdraw at any point. In particular, the participant information sheet also emphasised how part of the focus group discussions may involve elaborating upon their experiences of the global financial crisis. It was advised that if they found discussing such experiences distressful that they should withdraw from the project. In the on-the-day briefings prior to the groups, it was explained to participants that they could withdraw their data at a later date by getting in contact – and that they did not require a reason for doing so. Participants were given my contact information when signing for receiving their incentive for participating. This was in order to allow participants who may want to withdraw their contributions (fully or partially) to the group to do so. No participant took this option. These measures received full ethical clearance from the University of Birmingham, and all documents mentioned in this sub-section are available fully in Appendix 5.

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<sup>11</sup> These issues are explored further in Appendix 7.

## *Analysis*

Following verbatim transcription without correcting for grammar, the first stage of analysis involved a preliminary reading of the corpus in order to identify and record recurring and prominent themes and (in particular) justifications for austerity in line with the three parts – public life, sense-making, legitimacy gaps – outlined above. Using NVivo, these were then formed into codes (such as public life>‘cutting back’, sense making>‘household metaphor’, legitimacy gap>‘undeserving poor’). It was also coded when participants attributed blame for various crises, or when they attempted to resist the debt crisis narrative. The entire corpus of transcripts was then coded on the basis of these themes.

The second stage of analysis involved a form of narrative analysis<sup>12</sup>. Following the consensus of the qualitative methods literature, I decided to discount content analysis or other ‘counting’ based methods on the logic that amount of time discussing a topic does not automatically make it the most important (Morgan 1997: 62). Wilkinson (2004: 182) usefully distinguishes between content and ethnographic analysis for interviews. The latter of these involves making some claims from the interaction between people and reading the importance of topics from participants’ emotions (Wilkinson 2004: 182). So while it is important not to overstate the influence of this on the analysis, being present as the moderator at every discussion was very important: it provided a deep sense of meaning that could not be acquired from just reading the transcripts. In his famous focus group study William Gamson decided that formalised procedures for analysis were unnecessary for the specific aims of his project (Gamson 1992: 194). Instead, he presented the focus group data as if it were a

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<sup>12</sup> Note that the mode of analysis is, in many ways, intimately connected with the content in the subsection ‘Knowledge claims’ above. I shall not repeat here what is already written there, but instead add to it.



play in order to best reflect the public and social aspects of the discussions, using exemplar passages to support the point. I use this as an inspiration.

Narrative analysis reconstructs the stories told during interviews through working out the key players and a basic structure or plot (Kvale and Brinkmann 2009: 222). If these stories may not be told explicitly then a coherent narrative can be constructed from different elements and points made throughout the interview (Kvale and Brinkmann 2009: 222). Just like how when someone tells a story it always has a point, when someone discusses one topic in connection with another (even without any explanation for the connection) they take for granted the norms and conventions that link those topics (Strauss 2005: 208). We can call this the assumption of contiguity: ‘if topic B follows topic A when a speaker is allowed to talk without interruption, then A and B are linked’ (Strauss 2005: 208). The shared stories and justifications from each focus group discussion can then themselves be ‘peeled back’ to discover what is held as constant.

The aim of this analysis is then to turn the many tales told into an ideal-typical narrative that is ‘a richer, more condensed and coherent story than the scattered stories of single interviews’ (Kvale and Brinkmann 2009: 202). These narratives do not exist in the sense that they can be discovered. They are a form of ideal-type analysis. It is unlikely that one could find the dominant story of austerity written down anywhere. But this story is apparent in the justification and assumptions in the way we talk about austerity, and I argue that we can understand austerity acquiescence better through this stylised lens than without it. As I have already mentioned, this form of analysis does do violence to the individual and idiosyncratic narratives by imposing a utopian order and coherence upon proceedings. It is for this reason that, where possible, I have included discussions of alternative narratives and

sidelined stories where group support was not always offered (these issues are further discussed in Appendix 7).

## **Concluding remarks**

Everyday IPE is typically split into two methodologies: a Foucauldian approach that questions how certain subject positions integral to global finance are produced; and a historical sociological approach that demonstrates the power of non-elites by tracing changes in norms that underpin the everyday economic actions important for maintaining state legitimacy. Although far closer to the historical sociology side, this chapter has outlined a methodology that fits neatly into neither category. This chapter, too, has extended the methodological elitism and proxies critique from Chapter 2 by outlining a method that firmly transcends these limits. It is this move, with the inclusion of focus groups, which makes it a unique framework and methodology within the constructivist and burgeoning Everyday IPE literatures. For it gathers primary data about ‘everyday politics’ – that is, the contestations of norms and conventions about the allocation of resources and how the economy ought to work – in a way that few other political economy approaches do. The second half of the chapter outlined and justified the epistemic and practical foundations for this focus group method.

The first half of the chapter, meanwhile, continued to build the analytical framework started in Chapter 2. In that chapter it was suggested that rather than conceptualising crisis via a symptom-disease distinction, it might be equally useful to dismantle that divide and reconstitute crisis as an iterative and enacted process of problem definition, narration and intervention. When such crises are sufficiently ‘front-stage’, however, they require a degree of legitimation from the mass public through resonating with the

mood of the times. The first half of this chapter disaggregated the concept of the mood of the times into three parts in an ideal-type fashion. Crises, then, can achieve legitimacy by resonating with: (1) *the public life of crisis*; that is the extent to which expectations about normal appearances and the social order are disrupted; (2) *everyday sense making*; that is, the way in which people use popular wisdom and experience to make sense of the state, economy and object of crisis into a justificatory narrative; and (3) *legitimacy gaps*; that is, the extent to which the decisive intervention seems to make life fairer by closing a gap between divergent expectations and experiences of how the economy ought to work. Chapters 4, 5 and 6 largely follow these parts, respectively. Chapter 7, meanwhile, simultaneously pulls together these strands into an argument before pushing this argument beyond the focus group data by historicising its themes. I aim to demonstrate the added value of these three preceding conceptual and methodological chapters in these following four chapters as I offer an explanation for austerity acquiescence.

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## **Chapter 4. Enacting the debt crisis and the perseverance of normal appearances**

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[In response to an interviewer question about the general experience of crisis]  
Crisis...? What crisis...?

Kyle [Focus group A2]

For many social scientists, crises are associated with significant change. Some write of how crises can cause ‘paradigm shifts’ in the third order ideas that underpin economic policy-makers’ worldviews, such as the post-war shift from Keynesianism to monetarism (Hall 1993) or the post-2008 shift towards macroprudential financial regulation (Baker 2013). Others write of how crises, if appropriately narrated, can engender a structural transformation of the state (Hay 1999). Upping the ante even further, others have written on how if an economic crisis is not appropriately managed then it may accumulate, via the logic of crisis displacement, into a political-administrative crisis or even a socio-cultural crisis of capitalism itself (Habermas 1976). As the Introduction highlighted, many political scientists argue that there has not been a moment of significant or truly transformational change since 2008 – and the politics of spending cuts and the strategy of fiscal consolidation has only consolidated that sense in the UK.

In this chapter, I argue that the debt crisis was enacted in a context of a ‘mood’ that was biased towards relative political and economic inertia. There was little evidence from the focus group discussions that there was a mood for a ‘paradigm shift’ in the macroeconomic principles of policymakers, or similar that could be justified by their shared experiences and beliefs. There are many, many reasons for this mood for inertia. The lack of alternatives paradigms is one obvious factor, as is the sense that the ideology of the free market is so very well entrenched (e.g. Crouch 2011). This is ground well trodden. Given the framework constructed over the last two chapters, I will focus on two things in this chapter: first, on how the debt crisis was enacted; and second, on the ‘public life’ of the recession and austerity with a particular emphasis on how, with little in the way of the routine fabric of public life ‘up’, normal appearances have largely persevered.

The framework outlined in the previous two chapters posited a way to analyse how the imperatives associated with a front-stage crisis can be conferred legitimacy through resonating with the mood of the times, i.e. justifiable by shared beliefs and experiences. This chapter applies two aspects of this framework: first, the enactment of the debt crisis and, second, how its imperatives could be justified in light of the public life of the recession and austerity (i.e. the first of three parts of the mood of the times, as disaggregated in Chapter 3). The first section corresponds to this first aspect. Here I tentatively and indicatively apply the framework for crisis outlined in Chapter 2 – crisis as an iterative and enacted process of problem definition, narration and decisive intervention – to show how the debt crisis was brought into existence. The purpose of this section is not to provide an exhaustive analysis of this process since it is not directly required in answering the primary research question of the thesis (how do everyday actors make sense of austerity?). The purpose instead is to highlight how

the debt crisis was enacted as such in order to provide some necessary background to how elite actors performed the debt crisis. This prior piece of analysis is required to understand what the imperatives of the debt crisis were, a necessary move in seeking to analyse how the mood resonated with them.

The second and third sections then explicitly start the analysis of how the imperatives of this debt crisis resonated with one aspect of the mood: public life. The second section focuses first on exploring how a large quantity and range of private troubles have failed to translate into public issues because there has been a lack of mass privation as a shared experience. It then moves on to trace two possible critical events during the period – the run on Northern Rock and the English 2011 riots. I argue that for various reasons these experiences failed to be considered as symptomatic of a wider system failure nor did they essentially challenge the terms of the debt crisis. The third section explores the potential disturbance of normal appearances as reported in the focus group discussions. There were numerous anecdotes about private suffering but these rarely translated into public issues that engender the identification of a genuinely alternative crisis to that of debt. Nor did ‘normal appearances’ appear particularly disturbed in Goffman’s term, with quite a few ‘A group’ participants (i.e. middle-income homeowners) specifically invoking the image of normal life (especially consumption) continuing as normal (sometimes invoked through the trope of ‘but the restaurants are full’). The ‘B group’ participants (i.e. community volunteers) did discuss private troubles as public issues more frequently, but not to the extent that normal appearances were significantly disturbed. In this sense, the debt crisis resonated with the mood inasmuch that its imperatives are relatively incremental. My counterfactual suggestion is that the genuinely radical imperatives

associated with a more transformative crisis narrative would not have resonated with the mood.

## **4.1 Enacting the debt crisis**

The aim of this section is to show how the debt crisis was enacted by tentatively applying the framework outlined at the beginning of Chapter 2. This is important for two reasons. First, in applying this framework I am able to make the basic claim that a debt crisis existed inasmuch that it was brought into existence through its enactment. While this may seem like a trivial point, it should be recalled how a significant amount of literature on austerity is dedicated to showing how the problem of state debt is merely a symptom of a different underlying disease (i.e. crisis). Second, it provides all-important context on how the Conservative-led Coalition enacted a debt crisis in order to justify and indeed render necessary spending cuts in the name of fiscal consolidation. Although ultimately a secondary concern, this is albeit a key part of answering the puzzle and research questions of the thesis. In the process of tracing the process of problem definition, narration and enactment it is shown how the debt crisis was presented via a very specific meaning of debt that is far from neutral. In doing so, I draw primarily although not exclusively on a small corpus of speeches from key Conservative figures on the topic of the economy<sup>1</sup>.

Although difficult to separate in practice, the first part of the process of crisis enactment – problem definition – was largely dealt with in the course of outlining the politicisation of the fiscal deficit in Chapter 1. To recap, the fiscal deficit became

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<sup>1</sup> I draw upon an analysis of 66 speeches delivered by current Prime Minister David Cameron and current Chancellor George Osborne on the subject of the economy from September 2007 until March 2011. I took a grounded and pragmatic approach to discourse analysis. First, I generated themes (or ‘codes’) through an initial reading of the corpus based on justifications for austerity. Second, I coded the corpus based on the themes. Thirdly, I reconstructed the causal story that underpinned the justification for austerity. While references to quoted extracts can be found in the bibliography, a list of the complete corpus considered can be found in Appendix 1.

politicised following the ‘success’ of the state intervention in propping up the financial system. Along with automatic stabilisers associated with recessions, this helped exacerbate the UK’s already weak public finances to the point at which, with the financial industry recovering, the fiscal deficit became a problem. As I argued in Chapter 2, the enactment of crisis is iterative. In other words, defining the problem often involves positing a story or narrative to account for and potentially resolve the problem. This period of interpretive battle involves a battle to convince others that a particular narrative of crisis convincingly accounts for the problem at hand.

Tracing the content of key speeches, this process is relatively clear to see. If we rewind back to 2007 we find that the Conservative plan is to ‘support the [Labour] Government’s spending plans’ (Cameron 2007). A proto-debt crisis narrative began to emerge with claims that Conservatives would move beyond Labour’s ‘Age of Irresponsibility’ (Osborne 2008d: capitalisation in original). The simply stated medicine to this diagnosis of irresponsibility is to be found in vague claims to ‘balance the budget’ and to ‘put sound money first’ (Osborne 2008d). The transition to a more recognisable debt crisis narrative, however, came with the public rebuttal of the previous primary Conservative economic strategy of ‘sharing the proceeds of growth’ (e.g. Cameron 2008b), which coincided with the wider politicisation of the fiscal deficit (see Chapter 1). The primary strategy emerges as an intention to start ‘paying down the debt’ (Cameron 2009c).

Which debt must we pay down, however? If we rewind to 2007, it seems that the answer is personal debt:

Under Labour our economic growth has been built on a mountain of debt. And as any family with debts knows, higher debt makes us more vulnerable to the unexpected. [...] In terms of personal debt we now owe more than our entire national income (Cameron 2007).



Come 2008 and the politicisation of the deficit, and Osborne is now incorporating the government into this problem of debt: Britain ‘borrowed and borrowed as if the party would never end. Banks did. Businesses did. Families did. And so did this government’ (Osborne 2008d). Most political and electoral strategists are however likely to sound caution over the benefits of blaming some aspects of ‘the debt’ on families living beyond their means<sup>2</sup>. This is perhaps one reason why in 2008 the narrative took a turn by identifying and incorporating personal, corporate and government debt as the problem, and pinning the blame for this on the doorstep of the Labour government.

Consumer and household debt became increasingly less prominent in speeches in contrast to government debt and/or the deficit. Instead of presenting different forms of debt – consumer, household, government – the message hones in around ‘Labour’s recession’ (Cameron 2008e). ‘Labour’s Debt Crisis’ was not only a phrase used in speeches, but it was a genuine political campaign accompanied with an official launch and press conference (see Figure 4.1). Debt is increasingly collapsed into one homogenous category of ‘Labour’s Debt’:

We're in this mess because of too much debt - too much government debt; too much corporate debt; too much personal debt. This is Labour's Debt Crisis, and it becomes clearer all the time that the scale of Britain's debts puts us in a much weaker position than other countries (Cameron 2009b).

This was supplemented by the all-important causal link that posited Labour’s indulgence in unnecessary public spending as the cause of the debt crisis in which spending cuts are a necessary solution.

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<sup>2</sup> David Cameron found this out the hard way, notably when his briefed 2011 conference speech contained the comment that ‘the only way out of a debt crisis is to deal with your debts. That means households – all of us – paying off the credit card and store card bills’. After a backlash from the press this was quickly altered before Cameron actually delivered the speech.



**Figure 4.1** 'Labour's Debt Crisis' campaign poster<sup>3</sup>

It is within this context that Labour 'bankrupted our country, [and] left a legacy of debts and cuts' (Cameron 2010a) and 'everybody knows that Labour's Debt Crisis means public spending cuts' (Cameron 2009a). Indeed, for David Cameron, 'people understand by now that the debt crisis is the legacy of the last government' (Cameron 2010b). The use of the previous Labour government is more about the past and the exploitation of low political capital; it is about reconceptualising the state in a way that limits its possibilities through the household analogy. For instance, Labour in effect 'borrowed and borrowed and borrowed on our nation's credit card' (Osborne 2010c), but the Conservatives 'will make sure Britain starts 'living within our means.' This is what households up and down the country do' (Cameron 2008c)<sup>4</sup>. Similarly,

<sup>3</sup> Source: <http://www.conservatives.com> [accessed November 2011]

<sup>4</sup> A similar analogy that was frequently drawn on in various speeches was the idea that Gordon Brown did not 'fix the roof when the sun was shining' (e.g. Osborne 2008a, 2010b). The implication is that because of Brown's insistence and sincere belief that the era of 'boom and bust' was over (see

fiscal stimulus is presented as ‘merely extending an overdraft’ (Cameron 2008e). This comparison is more than invoking an emotive ideal of a financially-sound and well run household: the capacities of household finances constitute a prism for understanding the finances of the state which renders some strategies for dealing with recession and a fiscal deficit as ‘common-sense’. This sort of rhetoric was a key justification for spending cuts, along with the imperative of ensuring Britain’s international credibility (especially via comparisons with Greece). The household analogy plays a crucial part of the analysis and arguments of this thesis, especially in Chapters 5 and 7.

The debt crisis was also constituted through a number of interventions, including but not limited to the Coalition Agreement and the creation of the Office for Budget Responsibility (OBR). The agreement signed by the Conservative and Liberal Democrat parties in May 2010, not only institutionalises the primacy of cutting the budget deficit, with both parties explicitly agreeing to ‘recognise that deficit reduction, and continuing to ensure economic recovery, is the most urgent issue facing Britain’ (Cabinet Office 2010: 15), but it also performs (in an albeit weak fashion) the narrative of fiscal irresponsibility. This part of the agreement ‘performs’ the story of the fiscal responsibility; this process of enactment constitutes further evidence of the ‘symptoms’ of crisis, and is consequently crucial to the process of crisis – especially its primary and foregrounded place in the agreement. In this sense, the OBR – tasked with making independent assessments of the public finances and the economy, the public sector balance sheet and the long-term sustainability of the public finances – is also important. As chancellor, Gordon Brown’s Treasury team were consistently

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Cameron 2008b) the Labour party were willing to build up a large structural deficit funded through increased borrowing because a downturn would never emerge.

accused of massaging forecasting figures to fit their end (e.g. Economist 2005). By creating an at-distance independent body that seeks to create objective forecasts, the coalition can avoid similar accusations and further close down debate. Furthermore, in the accompanying announcement, Osborne justified its creation through claiming that ‘last year our budget deficit was the largest it has ever been in our peacetime history ... This is the legacy of thirteen years of fiscal irresponsibility’ (Osborne 2010a). The sheer act of creating a body whose aim is to ensure ‘fiscal responsibility’ is a powerful statement on not just resolving, but actually entrenching an existing definition and purported cause of crisis.

It has been well catalogued how a discourse of financial crisis slowly gave way to a sovereign debt discourse throughout this time period (Burnham 2011: 493), with a particular emphasis on the role of the Conservative party in that shift (Blyth 2013b: 23). However, the media also plays an important part in constituting crises (e.g. Hay 1996a). In this case, Iain Pirie (2012) has shown how media representations of the crisis shifted from a crisis of global finance to a crisis of national debt. While bankers continued to be both scrutinised and demonised, this had, by 2010, become secondary to the imperatives of cutting Labour’s fiscal deficit – an imperative which was rarely linked to the financial crisis (2012: 343). Pirie, however, is careful to avoid claiming that a Labour’s Debt Crisis narrative became totally dominant within the press. As he rightly points out, while left-wing newspapers such as the Guardian and Mirror rejected the narrative, the ‘important point is not that there is agreement on fiscal questions within the press, but that the public finances have come to dominate economic debates’ (2012: 343).

Pirie reminds us that while there was little escaping the increasing acceptance of the deficit and/or debt as the problem within mainstream debates, there was still room for

alternative diagnoses of the problem and thus alternative solutions. Labour's initial claims that the deficit was cyclical, not structural, and have nothing to do with fiscal irresponsibility have been met with the seemingly very effective counter-claims of 'deficit denying' (e.g. Osborne 2010c). Ed Balls, the shadow chancellor, then moved on to attacking the Coalition for prioritising austerity over growth. Perhaps aiming to invoke the kudos given to the Brown government's 2008 fiscal stimulus plans by some progressive commentators (e.g. Krugman 2008), the 'growth vs. austerity' debate was filtered through the overarching debt crisis narrative. To argue that an economy in recession, but also 'drowning in debt', should be saved by spending more is, as Andrew Gamble says, 'too clever by half' (2012: 53)<sup>5</sup>. Indeed, it is far more intuitive to argue that 'embarking on a government borrowing binge to pay for tax cuts or spending increases is dishonest and unfair' (Cameron 2008b). The simplicity of the debt crisis narrative is a clear political strength, and, as I show, its ability to resonate with the mood of the times was one reason for its 'success' in generating acquiescence from the population.

The politicisation of the fiscal deficit (i.e. problem definition) and the widespread propagation of the debt crisis narrative by Coalition figures and the media (i.e. interpretive battle) rendered certain interventions as inevitable. As this brief analysis has shown, the Conservative-led diagnosis of a debt crisis has been far from neutral: they have specifically spoken in a moralised fashion about how a profligate and overblown public sector has, as essentially the source that has wrecked the British economy, reached a tipping point in which it *must* be cut back decisively. Living

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<sup>5</sup> Yet, strangely, Labour have always been in ownership of a fiscal consolidation plan. The previous chancellor Alistair Darling's plan, eventually adopted by shadow chancellor Ed Balls, was to cut the deficit in the time of two parliaments (i.e. twice as slow, theoretically, as the coalition). Yet this appears relatively ignored. When intrinsically bound up as culprits in the accepted version of events, it is hard for one to appear credible – even if the proposed plan may in theory be better suited to the situation.

within means is after all, as the narrative goes, what we expect decent households to do. Although linked by a singular problem and narrative, the intervention is thus multi-faceted: it involves enshrining deficit reduction as *the* core aim of the Coalition government, and it involves institutionalising ‘fiscal responsibility’ via the OBR and other mechanisms. It also involves widespread limits to spending across Whitehall. And although there have been conscious attempts by the government to reduce tax avoidance and evasion to some modest avail, they are perhaps reserving the most energy in reforming welfare.

Welfare retrenchment has been at the centre of the attempt to install fiscal responsibility. Most notably, the coalition has accelerated the enforcement of conditionality and sanctions in the provision of welfare that were started by New Labour. For Slater (2013: 2), this represents the ‘most punitive welfare sanctions ever proposed by a British government’: for instance, unemployed people who refuse a first job or community work will be punished by a 3 month sanction, 6 months for a second, and 3 years for a third. Disability benefits have also been targeted, and the impact of retrenchment will inevitably disproportionately impact upon women (see MacLeavy 2011, Taylor-Gooby 2012, Annesley 2012). Yet despite Slater’s impassioned claim, most of the reforms – such as using Consumer Price Index (CPI) instead of the Retail Price Index (RPI) for inflation indexing and the ‘total benefit cap’<sup>6</sup> – are essentially piecemeal. This ‘chipping away’ is consistent with Paul Pierson’s (1994, 1996) argument that incremental change is the only possible route to welfare retrenchment. Crucially, this intervention runs parallel, in many ways, with the imperatives of the social crisis outlined in the second half of Chapter 1. The

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<sup>6</sup> No out-of-work family of working age will receive more than £500 per week in total benefit payments and no single adult household will receive more than £350 (Rowlingson 2013).

interventions made in the name of solving the debt crisis may not have been decisive in the way Hay originally intended – i.e. triggering a structural transformation of the state – but they have been decidedly political. Despite the way in which these issues have played out in the UK, it must be remembered that fiscal consolidation is not merely synonymous with spending cuts – let alone synonymous with welfare retrenchment.

### **Summary**

In this section, my modest aim was to tentatively show how a debt crisis was enacted through a process of problem definition, interpretive battle and intervention. One benefit of viewing a crisis in this way is that it explicitly foregrounds unpacking and understanding a crisis rather than imposing a symptom-disease distinction that invites scholars to reject crisis narratives as mere representations of a different underlying cause. In this sense, there is no doubt in the terms I have set out that there is a debt crisis (as opposed to a financial crisis, or a growth crisis). The debt crisis has been enacted on the back of a politicisation of debt, a narrative that blames Labour overspending for the rise of that debt, that posits spending cuts in the name of fiscal consolidation as the logical resolution. I have emphasised that there is however very little that is neutral about this process of crisis enactment, in particular the specific imposition of losses on welfare benefit recipients. The question that this thesis must now answer, however, is how the imperatives of this crisis could be justified via shared belief. The remainder of this chapter explores how the debt crisis resonated with one particular aspect of the mood of the times: the public life of recession.

## 4.2 The public life of recession and austerity

### 4.2.1 Mass privation

There is little doubt that since the onset of the economic downturn in 2008, many people in Britain have suffered personal hardship of various degrees. A report by Rowlingson and McKay points to how the 2012 real value of workers' wages had fallen back to 2003 level, and that, furthermore, one in ten workers were classified as 'underemployed' (2013: 12-3) – a rarely acknowledged problem that has obvious implications for unemployment statistics. In 2010-11 (the most recent data available), 12 per cent of households were finding it either very or quite difficult to manage financially and a further 27 per cent were 'just about getting by' (Rowlingson and McKay 2013: 16-7). Unsurprisingly, the key groups that were finding it hardest to manage tended to be on the lowest incomes (Rowlingson and McKay 2013: 17). The work of David Stuckler and his collaborators, most famously including his co-authored book *The Body Economic* (2013), sheds even more light on to the negative consequences of declining economic conditions and spending cuts on public health. In an analysis of 26 EU countries between 1970 and 2007, it has been shown that a rise in unemployment of 1% is associated with increases in suicides and murders (but decreases in road traffic deaths), whereas a rise of 3% or more was associated with further increased suicides and an increase in alcohol-related deaths (Stuckler *et al.* 2009). Using time trend analysis, it has been demonstrated that an increase in suicides in England 2008-10 was significantly correlated with increased unemployment – with an estimated 1000 excess deaths attributable to this in the period (Barr *et al.* 2012).

On a more general level, Ponticelli and Voth (2011) have convincingly demonstrated a link between falling public expenditure and social unrest (or 'austerity and anarchy'). They hypothesise that fiscal consolidation leads to 'CHAOS' – an indicator



for social unrest including the sum of demonstrations, riots, strikes, assassinations, and attempted revolutions in a single year in each country. They are unclear on the mechanisms that lead to CHAOS (although perhaps Stuckler's work reviewed above could give a clue). However, since their explanatory variable is continuous falling public expenditure, the predictions they make do not neatly apply to this case. Recall Chapter 1 where it was highlighted how the Coalition government had, in effect, introduced just one round of very serious spending cuts (alongside some moderate tax rises) in 2010 with each subsequent annual budget in 2011 being far more modest.

Since 2008, there has been an increase in financial exclusion and personal suffering, with families struggling to survive – financially speaking – day-to-day living, as the exponential rise in the use of food banks highlights<sup>7</sup>. The consequences of recession – notably unemployment – have incredibly harmful ripple effects, including a rise in suicide. While this is truly awful, these private troubles have not really filtered into the public issues sufficient to disturb normal appearances on a collective level. In arguing that the routine social fabric of public life has not been sufficiently disturbed to create a mood in which a more transformative crisis could have been enacted, my aim is not to trivialise this suffering. Instead, it is to point out, from a sociological perspective, the peculiar non-disturbance of normal expectations since 2008.

In the Goffmanian terms set out in Chapter 3, relatively little was 'up' during the years of 2008 beyond. Nick Srnicek (2011) makes this same point when discussing the abstraction of the global financial crisis:

One of the oddities of the ongoing economic crisis is its apparent separation from everyday life. Consumers still consume, luxury items are still produced. Starbucks is still filled with coffee drinkers, and Apple still sells its overpriced

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<sup>7</sup> According to data from the Trussel Trust, a UK food bank charity, the use of food banks increased by 170% in the 12 months following April 2012 (Trussell Trust 2013).

goods. Scanning the media, one finds its coverage devoid of lengthy soup lines or surges in tent cities. While most have had to cut back on their indebtedness, there hasn't been a collapse on the scale of the Great Depression.

Srnicek really gets to the heart of a key understanding of crisis: an emergency event associated with visceral transformations of public space and the 'routine texture of social life' (Hay 1996a: 255). In pointing out the lack of 'any bodily experience of the crisis', Srnicek is invoking not the very visceral experiences of going to the food bank or committing suicide but is instead invoking the lack of a shared or intersubjective experience of emergency or exception. The phenomenology, or lived experience, of crisis has been decidedly *abstract* in a way that seems to fail to meet our academic and societal expectations of what a sufficiently serious crisis should *feel* like.

That normalcy ensued throughout the years of the downturn, in the sense that little was up that created uncertainty in social fabric and expectations, is reflected in some secondary literature. A report by the Joseph Rowntree Foundation, conducted in mid-early 2010, 'aimed to explore what the downturn has meant for everyday lives and well-being ... [and] at how everyday life had changed' (Hossain *et al.* 2011: 9). Whilst the report found that some people were struggling with food prices and that local businesses were particularly hit, 'the research uncovered no evidence that social cohesion had been adversely affected by the recession' (Hossain *et al.* 2011: 5). Meanwhile, a similar report by the Social Issues Research Centre (SIRC) that focussed on perceptions about the crisis found that 'the majority of people in the UK have been relatively unaffected in terms of experiencing real economic hardship' (SIRC 2009: 6).

Although Srnicek was discussing the abstraction of the global financial crisis, we can apply the general thrust of his analysis to the debt crisis too. As the next chapters look at in more detail, the debt and/or deficit is necessarily abstract in the sense that it is an

aggregated statistic of overwhelming and complex proportion. Consequently, it should be actively *expected* that in making sense of an intangible £Xbn deficit, wisdom and experience from everyday life will be utilised to reduce the complexity of this necessarily abstracted problem. Indeed, the experiences that tend to accompany debt crises are not of the debt crisis *per se*, but rather of the imposition of very stringent measures usually forced upon nations through structural adjustment programmes. In this vein, recall once again how there has only really been one austerity budget. Many of the cuts from this 2010 budget had yet to be properly implemented at the time of fieldwork in mid to late 2012<sup>8</sup>, while the political effects of welfare consolidation have been narrowed by imposing losses on the most vulnerable and least politically organised.

To reiterate, the point in this section has been to briefly illustrate how despite much private suffering, there was by at least 2012 little suggestion that this was likely to translate into a set of public issues that might reasonably disturb normal appearances. The reasons for this particular set of experiences are undoubtedly many, but what matters for our purposes is not really why this was so but that it contributed to a mood that constrained and enabled the legitimisation of certain political imperatives. This is important for our purposes, since the degree of uncertainty that accompanies the sense of something being ‘up’ in public life means that differing interventions can be justified by shared belief in relation to the perceived seriousness of the experiences.

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<sup>8</sup> As mentioned in the introduction, according to the Institute of Fiscal Studies ‘only 12% of the planned total cuts to public service spending, and just 6% of the cuts in current public service spending, will have been implemented by the end of [the 2011-12 financial year]’ [Source: <http://www.ifs.org.uk/budgets/gb2012/12chap3.pdf>].

#### 4.2.2 Critical events

In this sub-section, I look at the role of two potentially critical events – the run on Northern Rock, and the 2011 English riots – in disturbing normal expectations. These were selected as the high-profile seemingly national events that were most likely to be experienced as symptomatic of a wider systemic fault. Drawing on the analyses of Hay (Hay 1996a) and Holland (2009) reviewed in Chapter 3, I suggest that despite being otherwise relatively unprecedented, these events reflect the wider public experience in that they failed to create a significant ‘void’ in the public lived experiences of the citizenry in which some sort of alternative to the basic imperatives of the debt crisis could legitimately be posed.

##### *Northern Rock run*

The run on Northern Rock in September 2007 was a key public and critical event of the crisis<sup>9</sup>. Significantly, it was the first significant run on a UK retail bank since 1866 (Marshall *et al.* 2012: 157). On 13<sup>th</sup> September 2007, Northern Rock came to the attention of the public and authorities when it requested financial support from the Bank of England that was publicly granted the following day (Shin 2009: 101, Marshall *et al.* 2012: 161). These events led to the memorable image of ‘large queues of Northern Rock customers waiting, in increasingly agitated fashion, to close their accounts and withdraw their savings from the bank’ (Watson 2009b: 42). As Shin points out, however, what made this bank run different to both historical precedent and conventional economic models was that these events occurred *after* the Bank of England has announced its intervention to provide emergency support (Shin 2009:

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<sup>9</sup> A discussion regarding the cause of Northern Rock’s failure is not relevant here (see Shin 2009, Marshall *et al.* 2012, Nesvetailova and Palan 2013), since what matters is the ‘event’ itself.

101-2)<sup>10</sup>. Indeed, it was only once the emergency liquidity facility had been announced that retail banking customers became concerned for the security of their deposits and savings<sup>11</sup> (Marshall *et al.* 2012: 161). After many months of searching for a potential buyer, the Chancellor finally announced in February 2008 that Northern Rock would be nationalized (Marshall *et al.* 2012: 161).

There is no doubt that the run on Northern Rock, as a public event, had a demonstrable impact in shifting the political agenda. Suddenly nationalizing a large financial institution in the country was not only a viable policy option but a necessary move to shore up the wider industry (Froud *et al.* 2010: 28). This was certainly the ‘first sign that this was no ordinary crisis’ (Gamble 2010: 4). It was a shock to the normal expectations that money deposited in a bank was safe. However, while it made state intervention into the finance industry both possible and legitimate, the run never quite became symptomatic of a wider collective experience of system failure – perhaps because of the effectiveness of the very intervention the bank run legitimated. The seemingly contagion-like nature of ‘the crisis’ is important too. This latter point is highlighted by Kyle [Focus group A2]. In response to a discussion about the UK government debt and action compared to the US, he quips that ‘with Northern Rock you had people queuing outside of Northern Rock, [so] we took a slightly different view and we sort of spent all of our money on it’. The notion that fixing a banking crisis led to a fiscal crisis is more than implicit in this comment. That this was the

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<sup>10</sup> Although it should be pointed out that Chancellor Alastair Darling did not formally guarantee all deposits until the 17<sup>th</sup> September (Marshall *et al.* 2012: 161).

<sup>11</sup> Interestingly, while the entire fall was £24.4bn to £10.5bn, Northern Rock accounts show that deposits in internet/telephone and branch accounts were the most intact following the bank run, while postal accounts and offshore (and other accounts) were more significantly dented (Shin 2009: 109). Thus, for Shin, ‘the media coverage of the Northern Rock bank run, showing images of depositors queuing at the branch offices, was ironic’ since they were the most stable (Shin 2009: 109).

only mention of Northern Rock in the entire focus group discussions is telling in and of itself.

### *English 2011 riots*

In August 2011, unprecedented riots sprung up across cities and towns in England. The riots began, in earnest, following an otherwise peaceful protest in Tottenham on August 6<sup>th</sup> against the police killing of local resident Mark Duggan two days previously. Two police cars, a bus and several shops were then attacked, looted and set ablaze in Tottenham, and the anger soon spread to nearby Wood Green – and in the following days across London (Slater 2011: 107). Beyond London, significant riots occurred in other cities and towns including, significantly for our purposes here, Birmingham. Over 3000 people were arrested, and 1715 people were brought before the courts, of which 315 were convicted and sentenced (Slater 2011: 107). The most salient explanation for the riots within public discourse involved emphasizing the morality of those involved and blaming (in the words of Kenneth Clarke) the ‘feral underclass’ – which Prime Minister David Cameron contributed to when he attributed the riots to ‘criminality, pure and simple’ (Briggs 2012: 27). Academics have, unsurprisingly, rallied against these interpretations. These alternative explanations include policing (Klein 2012), the ‘broken state’ (Slater 2011), post-politics and consumer subjectivities (Winlow and Hall 2012), and even a deeper Habermasian ‘legitimation crisis’ (Angel 2012).

Despite the potential pervasiveness of these accounts, it remains that the debate surrounding the riots was viewed through the lens of ongoing cultural politics – and was rarely seen as a symptom of economic crisis. Perhaps the dominant interpretation, the one that underpins the Clarke feral underclass thesis, is that the UK is suffering

from a ‘social recession’ – or, to invoke the more populist and right-wing vision, ‘broken Britain’ (Finlayson 2010: 4, Jensen 2012). What ties the social recession and broken Britain explanations together is the identification of a social crisis of selfish individualism (see Chapter 1) – but whether the causes of this crisis is the result of a liberal rights-based culture and overbearing state, or the result of a neoliberal ideology, remains the key distinction (Finlayson 2010). This interpretation was consistent with the focus group discussions, where the few mentions of the riots were often brought forward in a social crisis context. Eric [Focus group B1], for instance, invoked the riots as a symptom of how contemporary youth struggle to engage with authority.

Cultural values towards violent political protests may also play a role in this interpretation. Andronikidou and Kovras (2012), for instance, argue that Greece (unlike most European states) has a political culture that is particularly sympathetic towards political violence – a possible explanation for the relative acceptance of social unrest seen there. To make this point, they compare the statements made by politicians in both the UK and Greece:

Consider the difference between the UK and Greece. In the aftermath of the 2011 London riots, David Cameron stressed that ‘if you are old enough to commit these crimes, you are old enough to face the punishment’ (Guardian 2011). In Greece, meanwhile, the Minister of the Interior said: ‘We prefer a police in a defensive position that effectively protects human rights, rather than adopting an aggressive stance that could harm an individual or, even worse, lead to another death’ (2012: 721).

The riots were undoubtedly a national event. The crucial point, however, is that the underlying problems were deemed *moral* and not economic – and certainly not relating to austerity. The idea of a moral crisis is explored further in Chapter 7.

## **Summary**

This section has suggested that despite significant hardship and a couple of otherwise unprecedented public events, the period since 2008 has seen the perseverance of normal appearances in public life. With little ‘up’, this particular aspect of public life has contributed to a mood of overall and general inertia in respect to genuinely transformative change. The next section continues to explore the general perseverance of normal appearances, but this time specifically drawing on the experiences of middle-income homeowners and community volunteers as reported in the focus group data.

### **4.3 Experiences of focus group participants**

The public life during the downturn and austerity was explored in the focus group discussions in two ways that emphasised both private troubles and public issues. To invoke the latter, participants were asked ‘if you were an alien dropped to earth today, would you know there is an economic crisis going on?’ To invoke the former, participants were implored to reflect upon how the crisis has changed their own lives. This line of questioning does, however, come with a health warning, since the inherent sociality of focus groups mean they are not a particularly appropriate method for exploring private issues (Hollander 2004). We need to be careful, then, about making any sort of quantitative or qualitative argument about private suffering of these sub-groups from this data – and instead ensure the focus remains on the intersubjective formation of public issues adequate to disturb normal appearances. Nevertheless, as the following highlights, participants shared many anecdotes of suffering and reflected concerns about uncertain futures, but tended to (especially the A groups) paint a picture of general public placidity. The experiences of crisis were perhaps where the biggest differences between the groups – A and B – were most



apparent. Consequently, the next section (4.1.2) analyses the A groups, while the following (4.1.3) analyses the B groups.

#### **4.3.1 Public humdrum, private troubles, uncertain futures**

Within the A groups, there was a sense that neither the recession nor austerity had made an immediate drastic impact to their current lives but that the future, especially in the public sector and in inter-generational housing issues, was uncertain. This was despite a number of anecdotes about ‘private troubles’: son laid off; participant unable to get a job, even part-time, despite best efforts; a good friend made redundant [Focus group A1]; self-employed partner income falling [Focus group A2]; husband unemployed because of recession [Focus group A3]; numerous friends made redundant; friends struggling in low-paid jobs [Focus group A4]. So the crisis experience, at least privately, was far from plain sailing and positive. However, with a few notable exceptions, these anecdotes were rarely extrapolated to make a wider point about a public crisis experience. Instead, the A group intersubjective experience seemed to be one of general mundaneness, with hardship and cuts falling somewhere outside of the middle, despite worries about the future.

One popular motif was the notion that ‘restaurants are full’. This sort of experience was often hailed in the middle-income groups to reinforce the sense that, despite a recession, normal day-to-day life has remained routine and undisrupted – and, consequently, call into question, albeit discreetly, the impact of the recession. For instance, Lucy and Rachel both make reference to how their local flagship shopping centre is still ‘absolutely rammed’ and ‘rarely empty’ [Focus group A3]. Sometimes, Rachel adds, bad weather might keep people away ‘but you would never know there

is a recession' [Focus group A3]. A similar discussion in a different focus group also illustrates the point:

**Jerry:** Sometimes you can go up to town in Christmas, and the Bullring [shopping mall] is full – personally I hate it! Not my thing! – but, y'know, its absolutely teeming and you think 'what recession?'

[Focus group A1]

**Michael:** But I do have to say ... I think that coming to somewhere like this, it's hard to see any real concrete signs that the nation is in trouble. I don't know. We've got a good deli. We've got Piquant, a very nice curry house that's doing well. You've got Maisy ... every time I go in there it seems to be busy, but it's the weekend. So maybe, I think, this is something I've thought about at work, people are still happy to pay for quality rather than ... in certain areas. And save in other areas. But people have got to like certain things from their lifestyle before the recession and aren't as willing to give that up so maybe give something else up. Something like maybe not drive the car as much, and y'know. I don't know, it's just a thought.

**Caitlin:** When Costa coffee opened in Kings Heath, I thought oh I dunno. But it's always full. So...

**Michael:** From the first thing in the morning I've been in there and it's...

**Caitlin:** Everybody seems to spend on any amount of coffee...

[Focus group A4]

This response perhaps reflects the implicit expectation that crisis should represent some sort of state of exception that generates uncertainty about public life. This reflects, we can speculate, collective memories of crises past, particularly perhaps the Winter of Discontent.

In the middle-income groups, participants struggled to share instances of spending cuts in their local areas, often instead pointing to the emergence of new projects or the misspending of public money (the latter of which is taken up in more detail in the following chapters):

**Kyle:** I've certainly not seen any austerity things necessarily.

**Duncan:** They've spent money on the tip, haven't they?

[Focus group A2]

Some participants also discussed how, as homeowners, they had benefitted from the combination of tracker-mortgage and low interest rates.

While negative and austere experiences of crisis might have been infrequent in the middle-income areas in which these participants resided ('Very little is affecting us at the moment' [Michael, Focus group A4]), there were consistent reminders that 'we're quite protected, quite insulated' [Lucy, Focus group A3] and that hard times are befalling a largely unspecified other area or space:

**Damien:** the austerity measures so far have been worrying, negative, bad, and I would agree with [Jerry], again, that I think, if you like, middle class haven't been as damaged as people below that level, so to speak.

[Focus group A1]

**Kyle:** I haven't seen anything like we suddenly haven't got police on the street, or a firetruck doesn't turn up, or the schools are shutting. All the things you see on the news don't apply to Sutton as far as I can see.

[Focus group A2]

For one participant, Jerry [Focus group A1] this led to some open soul-searching in which he bet 'it's hitting [a neighbouring poorer area] bad' – a thought that can sometimes lead him to 'feel guilty if I start moaning about it, because I am still in a job, and y'know, this is still a nice area to live in'. Most discussion about poorer areas being hit hard was sympathetic.

The A groups did report some negative experiences. Many participants discussed how their income was being 'squeezed', how the cost of living was rising, and how taxes were rising<sup>12</sup>. Refrains such as 'there's less income around' [Kyle, Focus group A2] and 'I know my bills are going up' [Mandy, Focus group A4] were common. Also common was a pessimistic uncertainty about what the future holds, which came out in

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<sup>12</sup> This notion of a 'squeezed middle' is something that is taken up in more detail in Chapter 6.

two main ways. The first is an insecurity and subsequent uncertain future regarding employment, especially in the public sector. In a relatively long monologue, Jerry [Focus group A1] discusses in vivid detail the sense of unease and uncertainty held by those currently working in the public sector that are keenly aware of the threats to their jobs. He goes on to describe how despite not being told he is under threat, he has started realigning his financial behaviour and consumption in order to prepare for a rainy day. He makes a point of saying how he is desperately trying to pay off his mortgage, and finishes by pointing out that he believes these are common experiences. Denise directly replies, echoing the sentiments about mortgage repayments and job insecurity.

The second way was through worries about the employment and housing prospects for future generations. Linda [Focus group A2] spoke at reasonable length about how she felt sorry for the 'next generation' and for 'my kids' because with good jobs so difficult to find it is hard to envisage how they are ever going to get on the property ladder. She concludes by commenting that 'I think perhaps their generation are going to be the ones that are feeling more than we do'. Caitlin and Michael [Focus group A4], meanwhile, had a very similar conversation. After Caitlin had commented on her worry that her children will struggle to get on the housing ladder due to a lack of good jobs (and, indeed, an open worry that 'he'll just come home and live with us'), Michael agrees that 'the future is more worrying' since 'there are no obvious signs that things are going to improve'. Interestingly, Caitlin was careful to point out that 'I'm not sure if it's part of the austerity cuts really', hinting that this was perhaps a long-term economic trend that was not directly attributable to the recent decisions of elite politicians.

### 4.3.2 Neglected areas, community resilience

In addition to being squeezed and prospects of an uncertain future, the B groups provided far more anecdotes about both themselves and others in their community suffering during the downturn. Given that recessions adversely affect those worse off, this should not be a surprise. The answers took a very different form – with answers often pointing to suffering, neglect of the area, lack of funding or cuts to services, and youth unemployment – both in terms of public issues and private troubles. Although this could be because they had objectively suffered more than the A groups one reason for this, it should be stated upfront, is that some individuals in these groups were by definition more politically oriented due to their involvement in the local community. A few were clearly and understandably more keen to share their own experiences than the A groups. This is probably because they were aware of the political and ethical importance of sharing their experiences with an outside researcher in order to raise awareness. Such concerns did not seem to impact upon the A groups.

Some participants in the B groups were clearly keen to recast private troubles as public issues, a process that was not frequently seen in the A groups. For instance:

**Lynn:** I think a lot of people have been affected, but a lot of people don't realise how. People can't afford childcare, because there's certain [inaudible] They don't realise that this is part of the process of what's going on right now, d'ya know what I mean? But I would think that we're all affected.

[Focus group B1]

In particular, there was a shared feeling that, as a consequence of neglect, their communities were suffering:

**May:** I think there is a level of unemployment.

**Mary:** Yes.

**May:** Which makes it very difficult ... as you mentioned, the people feel neglected. I think so as well. Because of the unemployment issue and it's like there is no one who cares about them, and I think they feel this way.

**Mary:** The public spending often seems disproportionate sometimes.

**May:** Yes.

**Mary:** It's not as if the whole of the area gets equal attention from the public bodies.

[...]

**Claire:** It's like what they've done with [another area], amazing work over there, with all the parks and the houses and the estates they've built. But here, they've done nothing, nothing at all [...] this end, we've got nothing, we have nothing.

[Focus group B2]

Although talking of neglect was not strictly limited to the B groups<sup>13</sup>, it was certainly a feature of the discussion and, more widely, of their experience of the downturn. This sense of neglect was used to make sense of more specific experiences during the downturn – such as a lack of a community centre, or unfinished community projects. Yet despite these troubles to some extent translating into public issues, they were never presented as disturbing normal appearances of public life.

Other than those few enthusiastic and politically motivated participants, these public issues were discussed with a degree of resignation despite the clear sense of unfairness. In some ways, this reflects the polling reviewed in the Introduction, in which the majority of public opinion considered the cuts unfair and so on but simultaneously reported them as necessary.

There was also particular concern, given the socio-economic background of the participants, regarding changes to the welfare benefits system. For instance, some

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<sup>13</sup> For instance, an A group participant discussing local investment: 'You do wonder why that is, because people still choose to live here ... But ... people aren't, or governments and councils or whatever, aren't investing, so it's not ... keeping pace' [Kyle, Focus group A2].

participants openly worried about how people who are at least partially dependent on benefits will cope with less money in their pocket:

**Claire:** It's like what we're saying, food's gone up, petrol's gone up, this has gone up ... and benefits haven't. So how are people surviving? Like you said, they're just pulling together and cutting back because they have to. It's gradually getting better.

[Focus group B2]

There was also concern about how changes to the welfare benefit system had cynical intentions with harmful consequences, for instance:

**Linda:** so the government piloted this scheme and said let's send out this application form to poor people, and let's see how many people we get off benefits. Well loads of people can't handle the forms, so about 70% of people just came instantly off benefit [...] when it did actually come over here, the stress of going through it with my mum – I had social services helping me, and other external [acronym] helping me – my mum had a relapse, and she even got put into hospital. So it's really impacted.

[Focus group B1]

The extent to which participants were concerned about others in their community suffering during the downturn – from benefits being cut, from unemployment, and so on – reflected in the passage above was also particularly evident in one discussion about the perceived rise in suicide [Focus group B1]. For Lynn, suicides had risen in the area 'because it's [the downturn/austerity] affected so many'. Linda and Rose agreed, commenting respectively on how it is becoming more common within their wider social groups. This discussion is particularly apt at highlighting the difference in tone between the A and B groups in discussing their experiences of the downturn, as well as offering perhaps some chilling anecdotal support for the empirical work of Stuckler reviewed above.

Despite these discussions about hardship during the downturn and austerity, some participants (mostly in the B groups) focussed on some positive outcomes –

particularly on how the community had showed empowerment and resilience in coming together during hard times<sup>14</sup>. Some participants in the group adamantly put forward the case for making a difference on a collective and grassroots level:

**Lynn:** Because you're not going out there and saying 'this is what I want to do'. Go out and speak to all your friends and actually stand up and say 'we want this to happen' and make it happen.

**Linda:** If you go back to the original question, which is how have the cuts affected us. If you start to look at it you get angry, and you want to do something about it, but you really have to think about how these things are affecting us.

**Jilly:** And what can we do about it?

**Lynn:** An awful lot, when we stick together.

[Focus group B1]

It is important, however, not to confuse this community empowerment with a form of genuinely radical politics. At times, as the following excerpt highlights, the empowerment theme was discussed in regard to the Conservatives' 'Big Society' programme:

**Linda:** You can see what is happening, what are we doing about it. Because what's clear to see is that this government has got one mindset and that is kind of like, do it for yourself. If you want it, do it. And all your local services, all your charities. If it's important to you, then set it up yourself. And that, is helping us, but they're allowing us, showing us that there is actually a way. But we've got to be the ones to come forward, together, and actually make it happen.

[Focus group B1]

This resilience was interesting. Although it is hard to represent with the transcript data, Linda and Lynn's interventions seemed to rub some other participants up the wrong way. Furthermore, on the one hand it was refreshing to hear about the potential power of communities to change lives – especially given the explicit apathy shown by other

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<sup>14</sup> The importance and salience of community in the B groups was stark in comparison to the A groups. This could, however, be down to the nature of the specific group interviewed as opposed to a general disposition of the wider community.



participants in the group – with examples given of how a difference was made in the past. On the other hand, however, the increasingly prominent ‘resilience’ policy and academic discourse has been criticised for being the other side of the undeserving poor coin in which impoverished people are unrealistically expected to ‘bounce back’ (Harrison 2013). These discussions reflected both sides of this coin.

In the other B group, there was less empowerment discussion, but issues of community resilience were still very much foregrounded. Participants were at pains to paint the community in a certain way: ‘There’s quite a strong bond in the community ... People pull together to help each other here’ [Jamie, Focus group B2].

Moreover:

**Mary:** I think there is. I think there’s a strong pride in the area that is anchored by a strong wish for things in the area. And people are actually prepared to give their free time and effort to try and make these things happen. I think there’s a lot of that in the area. I encounter a lot of it anyway.

[Focus group B2]

There was also a shared perception that the recession had actually made the community stronger as it forced people to be resilient:

**Mary:** It’s almost as if the recession has caused people to pull together and develop coping strategies.

**Claire:** Yeah, that’s right.

**Mary:** I mean, people are managing by and large. I know ... there some people that are desperate, I know that. But there are everywhere. But by and large people are finding ways to manage.

**Jo:** Or adapting to it.

**Mary:** Perhaps we’re becoming cleverer with our money, we’re not wasting as much as we might have done before [widespread agreement]. So maybe in some ways it’s a good thing, maybe we’re learning skills that will last through the better times as well.

[Focus group B2]

One group even went as far as to suggest that middle-income people would be worse off because they, unlike the ‘working class’ who have a ‘stronger mindset’, have a ‘high height for them to fall’ because they are used to a ‘certain lifestyle’ [Shauna, Focus group B1].

### **Summary**

The focus group discussions highlight two divergent experiences of crisis. On the one hand, although the A groups shared anecdotes about private troubles and worries about future precariousness, they also frequently questioned the severity of the public life of the recession and austerity by invoking the image of ‘full restaurants’. On the other hand, the B groups reported on how their local areas were underfunded and openly worried about the prospects for many of their fellow residents, but they also highlighted the capacity of community spirit and the potential for resilience in hard times.

### **Concluding remarks**

This chapter started by showing how the debt crisis that renders spending cuts necessary was enacted on the back of the politicisation of ‘the debt’, a particular narrative that pinned the blame of this on past government profligacy, and a number of logically inferred but highly political interventions. Although analysing the basic contours of this process of crisis enactment is illustrative, it is quite limited in the specific terms of addressing the key puzzle of austerity acquiescence and the primary research question (how do everyday actors make sense of austerity?) of this thesis. In particular, such an analysis – even if extended to a sufficient depth and breadth to adequately provide data to underpin an entire thesis worth of analysis – is limited in what it can tell us about the process of legitimation – without, that is, reproducing

either the issues of legitimization-by-proclamation or methodological elitism/proxies critiqued in Chapter 2. It is for this reason this thesis is spending considerable time analysing how the imperatives of the debt crisis resonated with the mood of the times.

The second and third parts of this chapter were specifically geared to starting this analysis, by focussing on one of three aspects of the mood of the times. In Chapter 3, I made a distinction between private troubles and intersubjectively formed or socially constructed public issues. Mass privation, critical events, or specific sub-group experiences may all feed into public issues – all three of which were explored in the second and third sections of this chapter. The key shift is the extent to which they sufficiently disturb normal appearances to give a shared sense of systematic collapse and failure. If these experiences can be narrated as symptomatic of, in Habermas' terms, a 'social-integration' failure then there may be a mood for radical change. However, I've argued that during and beyond the downturn of 2008 and the beginning of austerity in 2010, the normal appearances of public life were not sufficiently disturbed in this sense. In spite of much private suffering, there was not a sense that the basic fabric of society was being called into question as a result of the shared public experiences of 2008 and beyond. Consequently, this contributed to a mood of relative inertia that helped ensure austerity and its imperatives could be justified by shared belief. With the normal appearances of public life relatively undisturbed, it meant the mood was more receptive to spending cuts than it might have otherwise been.

However, the analysis of how the imperatives of the debt crisis resonated with the mood of the times has only just started. The next two chapters look at the other two parts of this disaggregated concept, starting immediately with the next chapter that

analyses the extent to which the sense-making processes of the focus group participants ensured austerity resonated.

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## **Chapter 5. ‘We’re reaping what we sowed’: Everyday debt crisis narratives**

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This chapter analyses how focus group participants narrated crisis. It analyses how crisis and the spending cuts are made sense of, put in narrative form, and what this tells us about acquiescence to austerity. This chapter continues the process, started in the latter half the previous chapter, of analysing how the imperatives of the debt crisis resonated with the mood of the times. Here, specific attention is on the second of the three parts of the mood: sense-making. As outlined in Chapter 3, people generally make sense of political issues through popular wisdom (i.e. rules of thumb and analogies to everyday life situations) and experiential knowledge (i.e. anecdotes from primary experience and secondary sources that make a wider point). From applying this, I show that although as academics we tend to think of the debt crisis as a condition that afflicts the state and larger fiscal issues, for the focus group participants it meant something more. While all groups did identify, when probed, debt as the problem or crisis facing the UK, they drew upon their own wisdom and experiences to support the claim. As a result, the meaning of austerity encompassed both states and

households, and thus went far beyond just the politics of spending cuts or the strategy of fiscal consolidation.

There were two processes in which this sense making occurred. First, when debt was put forward as the problem most participants would have known that this was in the context of the state (given the information and preamble they received). Yet, most participants would know much more about household debt on account of their everyday lives, so tended to draw upon that wisdom (e.g. rules of thumb) and those experiences (especially of financialisation and the credit crunch) almost as if it were a cognitive heuristic along the lines of the much maligned household analogy. This sense making process tends to produce acquiescence to austerity because it renders spending cuts in the name of debt reduction as a straightforward and common-sense response to living beyond means.

Second, the debt crisis was often seen as an ambiguous moral obligation. While the mechanisms of state and household finances may significantly differ, this pales into insignificance when we consider that it was merely *wrong* for the state to consistently live beyond its means before the crash because like an indebted household puts the family at (financial) risk, the indebted state puts the population at risk. Similarly, this means that the population must take some of the pain for the necessary asceticism since 'we' were all complicit in the boom years. It is hard to distinguish between these two processes, but this is merely one useful way of breaking down and analysing the sense making processes seen in the data.

The chapter is split into two sections. The first focuses on how participants consistently identified debt as a problem. In making sense of this problem, they typically spoke of debt as an ambiguous moral obligation facing the UK as a whole,

which decidedly impacted upon how they acquiesced to the imperative of fiscal consolidation. The second section briefly considers the alternative crisis narratives produced in the focus group discussions. It looks at both alternatives to the debt crisis, as well as more radical alternative narratives to capitalism itself.

## 5.1 Narrating austerity

**Paul:** Austerity is being spun, and it is being played on our individual, almost puritan feelings of it if you don't earn it you [don't] deserve it ... It's very deep seated, and it's played on all the time - You just feel really guilty.

**Jerry:** I really share all your feelings of suspicion about how we're being sold austerity ... and yet, I think there's a hard, hard reality for us as a country if every single [pound] we bring in [inaudible] that's what a structural deficit means, then at some point we would have to face a choice between making cuts or not paying the debts [...] The hard economic reality is that we probably do have to pay off the debt which means we probably do have to spend less.

[Focus group A1]

Living within means is the key justification for spending cuts. As Chapter 1 highlighted, the fiscal deficit and/or debt is the central battleground and point of contention within the politics of austerity. However, a fiscal deficit, albeit a historically large example, does not arrive empty of meaning or naturally in 'crisis' demanding a specific intervention. Indeed, the debt crisis narrative managed to constitute the fiscal deficit within a specific causal story: the deficit was caused by previous governments overspending, in which the only solution is to cut back that systematic over-spending in the form of cuts to welfare and state provisions. This section explores what the everyday sense-making process can tell us about austerity acquiescence. How the deficit/debt is discussed is key: if discussions subscribe to the basic tenets of the debt crisis narrative then we can be confident that participants will tend to acquiesce to the necessity of spending cuts.

The basic aim of this section is to unpack what debt and the deficit mean to the participants in order to gain a fuller understanding of this justification and wider process of acquiescence. It is underpinned by two questions: Do participants identify the crisis as one of debt? And if so, what is the meaning and narrative of this debt crisis? As the section epigram highlights, some participants were cynical of the ‘spin’ but still produced similar acquiescent narratives. We start by looking at how debt was often put forward as both a source and symptom of crisis, followed by sections on debt as an ambiguous moral obligation and the notion that the UK was ‘living beyond its means’ in the years and decades leading up the recent crisis.

### **5.1.1 Debt crisis, state as household**

Perhaps somewhat unsurprisingly, all focus groups identified debt as a central problem or crisis condition. The extent to which ‘debt’ was related to crisis was positioned differently. Sometimes it was positioned as a source (e.g. ‘personally I think that for years and years the country as a whole has borrowed too much money’ [Caitlin, focus group A4]), and sometimes as an unspecified condition (e.g. ‘the country is in debt’ [Rose, focus group B1]). Regardless, what is significant is the extent to which debt was placed within a causal story that justified an intervention. The groups, however, differed in the specific production of these narratives. The B groups were, in some ways, as quiescent as the A groups but without producing the same detailed stories and justifications. These B groups, with the exception of one or two individuals who did not directly contest the terms of the debt crisis *per se* (see next section), identified debt as the problem in a matter of fact manner without



sustained collective deliberation<sup>1</sup>. In contrast, the production of these crisis narratives, and thus acquiescence to ‘dealing with the deficit’, was far more explicit in the A groups. Although there was some limited discussion from individuals about whom the debt is owed to or whether businesses should contribute more, the shared conclusion that one should cut back because of debt was fairly consistent.

Yet looking over the examples of how each group identified debt as the problem, it is striking just how ambiguous and far-reaching the understandings of debt are, even just in these short excerpts:

**Jerry:** When you asked ‘do we need to cut back?’... I think we do. I think we have a structural deficit, which means we’re making less every year, so I think we do. I accept the argument, as much as I hate them [the government] for that.

[Focus group A1]

**Kyle:** I don’t know how else you do it [reduce the deficit through spending cuts], because if you do it ... the only other way is taxation. I just think if you tax us anymore we’re already bleeding dry.

**Nicholas:** I tend to agree with that.

**Linda:** Yes.

[Focus group A2]

**Sarah:** I think they [the spending cuts] are necessary.

**Rachel:** I think we need to claw back somewhere ... no doubt about that.

**Lucy:** I think probably, yes ... the deficit should be partly made up from elsewhere – like very profitable businesses. I think people who make a lot of money should be made to have a bit more of a social conscience.

[Focus group A3]

**Caitlin:** They’re [bankers] nothing fantastic. They’re one the reasons we’re in the mess we are. I think, y’know, I think I’d say we’d go and start fresh really.

**Interviewer:** What is the mess we’re in?

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<sup>1</sup> However, these groups, while quiescent and cynical about the potential for change at an elite-political level, were far more positive about the potential for grassroots community-based change – which itself may be a reflection of the recruitment strategy outlined above.

**Caitlin:** I think we've got too much debt.

[Focus group A4]

**Interviewer:** Why now? Why have the government suddenly decided that they want to save so much money?

**Felix:** Well, the banking issue was a big issue wasn't it.

**Jilly:** They're saying it was the debt.

**Rose:** The country is in debt.

**Felix:** ...misappropriation has gone somehow, they are responsible for that.

**Rose:** They don't like us being in debt, do they? The Conservatives don't like the country being in debt.

[Focus group B1]

**Mary:** An interesting question ['what is the 'problem' with the UK?']. I don't think there's a single-word answer for it.

**Jo:** Everything. That's a single-word answer.

*Laughter*

**Mary:** Debt is a problem.

**Jo:** Yeah.

**Mary:** And y'know [...] whether you go from individuals, to nations, to the globe. Debt is a problem [...] [and] essentially you cut back on spending, but you have to do some spending to generate more income. So it's finding that balance isn't it.

[Focus group B2]

In some of these examples, it is very clearly the fiscal deficit that is the problem, and little else, which suggests certain imperatives. In other examples, however, it is not clearly this issue at stake. Rather, it is debt *per se*. 'We, Caitlin says, 'have too much debt'. For Mary, debt is a problem, 'from individuals, to nations, to the globe'. In these examples, it is less clear that the fiscal deficit is the problem.

This ambiguity is striking. In a sense, this reflects the 'Labour's Debt Crisis' narrative analysed in Chapter 2, where many forms of debts were positioned by leading

Conservative figures as problematic. What matters at this moment is that although the debt crisis was ambiguous in this sense, all focus groups did speak at some point of the necessity of cutting public spending in order to reduce a deficit typically caused by profligacy (whether that is through welfare, bank bailouts, or something else entirely). Identifying the problem of debt is significant in and of itself. This is for the simple reason that if one believes that debt is a problem – in the sense that a turning point has emerged in which those obligations are becoming a serious burden – then the only imaginable solution (bar bankruptcy) is to start reducing this burden through making hefty repayments (e.g. Lynn: ‘there’s a lot of debt and that we need to reduce the deficit’ [Focus group B1]). For most people, an arbitrary rise in revenue to fund this is likely to be fanciful, and indeed common sense suggests that re-budgeting to cut spending to free up spare cash is the best method. There were some other notable things about this talk of a debt crisis.

First, we might expect following the Conservative narrative that Labour would be blamed. To the contrary, although it did occur at times it was reasonably rare for the role of Labour profligacy to be directly *discussed*, let alone blamed. Politicians instead tended to be considered as one group, almost exclusively discussed in derogatory terms (which is briefly discussed in Chapter 6). One potential reason for this may be that participants were eager to avoid confrontation with supporters of a party they talk down. Nevertheless, when the role of Labour was discussed, evaluations of their fiscal policy was mixed. Unprompted on the topic of Labour’s legacy, Lynn [Focus group B1) argued that the debt came from bailing out bankers – and she was adamant that this was a good decision taken by Brown in the long-term interest of the country. Yet later on, Rose sarcastically encouraged the group to vote Labour, who ‘gave away money left, right, and centre’ to the undeserving poor (again,

see Chapter 6). While the A2 group discussed Liam Byrne's infamous note (Duncan: 'They [Labour] spent a lot, y'know. We can't go on like that, we just can't' [Focus group A2]), the mood was perhaps best captured here:

**Peter:** But I do get annoying with the politicians blaming each other, when it was a global thing that started off in the States. And they say 'Oh, it was Labour's folly'. That was just part of the whole system.

[Focus group A1]

**Damien:** I'm not usually political, but from whatever political background people have come from, I think, the politicians have to take a big responsibility for not taking ... for not foreseeing the possibilities of the collapse.

[Focus group A1]

As Chapter 6 explores further, there was a sense that an immoral elite comprising of politicians, regulators and bankers were to blame for the ills at hand. This homogenisation of politicians as a single group had other implications. Notably there was often contestation and cynicism towards how austerity was being presented ('it's all crap', as Peter [Focus group A1] put it). Yet, crucially, the participants still, on the whole, tended to reach the same conclusions regarding the imperatives of the debt crisis themselves using other sources of justification. This raises the question of how this particular meaning of crisis was generated; or, what resources were used in the production of this story? In this sense, the technical differences between debt and deficit – let alone between structural and cyclical deficits – tended to be ignored. In everyday parlance, a fiscal deficit is very much a debt – an overdraft, perhaps – as official state debt is. This brings up the thorny issue of the 'household analogy'.

Something akin to this analogous reasoning was frequent in some form or another. This is notable, since many members of the coalition government have come under criticism for consistently invoking this analogous reasoning – understanding the

finances of the state as if it were a household – when communicating the necessity of fiscal consolidation. The use of this analogy has garnered attention because it excludes Keynesian counter-cyclical deficit-fuelled stimulus from the imagination. Subsequently, for those on the left the use of this analogous thinking is a disingenuous device that is ideological in nature. Deputy Prime Minister Nick Clegg’s 2010 conference speech was, for instance, partly scrutinised by both commentators and bloggers for containing the ‘simplistic nonsense of comparing a governmental deficit with household debt’ (Engel 2010). On a more general level, Paul Krugman (2012) argues that showing the inaccuracy of the household analogy highlights how ‘the austerity drive in Britain isn’t really about debt and deficits at all; it’s about using deficit panic as an excuse to dismantle social programs’.

This debate is thus of paramount importance. Although the impact of this elite rhetoric on the views of the mass audience is presumably part of what makes the household analogy of both political and analytical interest, this issue of audience is rarely explicitly raised in these discussions. Instead, the main aim has been to rightly discredit the analogous reasoning, without (necessary, for this thesis) recourse to reflect upon how, if at all, such a view actually *works* in the imagination of the public. If the public follow the Conservative lead and indeed use the economics and sensibilities of household budgetary management as a prism with which they make sense of the state and related imperatives of the debt crisis, then spending cuts would seem overwhelmingly necessary.

The excerpts below are all potential examples of the supposed household analogy in action:

**Nicholas:** We should have a special mention for our politicians too. Because they were doing the same thing, borrowing money they couldn't afford to pay back.

[Focus group A2]

**Kyle:** [on being asked why the UK is introducing spending cuts] I mean the way you take the current government – I think the last one was probably getting there – is that all of a sudden they couldn't afford, y'know, they were paying out more every month than was coming in weren't they? The cost of borrowing was going up and up, and they realised they couldn't do it anymore.

[Focus group A2]

**Claire:** National debt?

**Mary:** I don't know. You can't tackle it in one way. Yes you cut down on what you spend out, but you've also got to spend ...

**Claire:** As you say, that's hard, yes.

**Mary:** I saved for my retirement. So yeah that meant maybe when I was working spending a little less. But I then spent what I saved to create the income for now. And it is a balance. If the nation – if the government [didn't] put any investment into its workforce, then that workforce can't generate the income to pay the taxes to give the government to reduce the debt.

[Focus group B2]

Despite using some form of household analogous reasoning, all three of these excerpts are slightly different. The first excerpt compares the plight of households and states in terms of a general narrative about how both failed to live within their means in the lead up to the crisis (this notion was common in the discussions, and is explored below). The second, meanwhile, explains fiscal consolidation in a manner that is consistent with a household (i.e. monthly in-goings and out-goings, and the assumption that fiscal deficit signals that government finances are inherently problematic). The third, meanwhile, is slightly different. The mechanics of sense making are more apparent. On the one hand, this latter excerpt shows how in a discussion about national debt it did not take long for Mary to bring up an illustrative anecdote about her own financial practices to make a wider point about the state.

However, it also shows that the analogy or heuristic does not necessarily generate austerity acquiescence. For here, Mary is very carefully trying to avoid going down such a route, instead purposefully accentuating the role of government intervention in generating productivity in order to maximise revenues – something that a household, of course, cannot do. Nevertheless, this might be the exception that proves the rule. To fully understand what is at stake in this discussion, we need to start by unpacking the concept of debt further.

### **5.1.2 Debt as an ambiguous moral obligation**

In the focus group discussions debt was loaded with meaning. This is not particularly noteworthy in and of itself. From the perspective I take in this thesis, virtually everything is saturated with meaning to be explored. What *is* noteworthy is the specific content of this meaning, which decisively underpins how the imperatives of the debt crisis are interpreted and contested. As I will show in this section, debt tended to signify, especially amongst the A groups, an *ambiguous moral obligation*.

We typically associate debt, especially when we place our political economy hats on, with the consequences of impersonal financial instruments and sovereign bond markets. Many have shown, however, that there is much beyond that, since debt can be traced as a historically embedded moral obligation. Frederick Nietzsche argued that the modern Western concept of morality was founded upon extracting debt under the threat of violence, highlighting along the way (for our purposes here) the relationship between debt and guilt. In his second essay in *On the Genealogy of Morals* (2007 [1887]), Nietzsche asks about the origins of the ‘bad consciousness’ by

looking at the ‘long history of the origins of *responsibility*’ (GM II:2)<sup>2</sup>. He argues that the establishment of society and peace led to the ‘internalisation of man’ in which animal instincts – to be barbaric, for instance – became suspended, devalued, and, ultimately, turned inward in a ‘painful’ matter. This was the beginning of debt as a moral obligation: in a society where one is deemed generally equal with others of the same stature, it is generally unacceptable to act barbarically towards others (thus contravening the animal instincts). When one hurts someone else, the perpetrator is then in debt to the victim. The victim has the right to retaliate or demand some form of compensation, while the perpetrator has an obligation to provide it in order to restore the equality that was betrayed by the act of violence. Since these barbaric instincts should be suspended due to the rise of society, this means that violence is considered a *choice* – something the perpetrator must live with when foregoing compensation. It is this that makes it hurt, and is what (in Nietzsche’s writing at least) gives rise to the feeling of guilt<sup>3</sup> (Ridley 2005: 37).

One of Nietzsche’s easier to grasp and less controversial contributions, however, is to point out how, in German, debt and guilt are essentially the same word: ‘the main moral concept ‘Schuld’ (‘guilt’) descends from the very material concept of ‘Schulden’ (‘debts’)’ (GM II:4). This etymological insight is often used, justifiably so, to highlight the seemingly inherent morality of debt. According to David Graeber, this morality of debt is so common that it is banal: ‘its most obvious manifestation is that mostly everywhere, one finds that the majority of human beings [hold that] paying back money one has borrowed is a simple matter of morality’ (Graeber 2011: 8-9).

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<sup>2</sup> This outline is based on the original text, supplemented by secondary literature (Ansell-Pearson 2007, Dodd 2012, Graeber 2011, Ridley 2005, Risse 2001, Smith 1975, Zamosc 2012).

<sup>3</sup> This, for Nietzsche, is the origin of guilt, and is also apparent in how ‘man’ becomes indebted to both ancestors and God. This informs Nietzsche’s account of Christianity: ‘how a sense of debt is transformed into an abiding sense of guilt, and guilt to self-loathing, and self-loathing to self-torture’ (Graeber 2011: 79).



Graeber's (2011) *Debt: The First 5,000 Years* is indeed a dazzlingly detailed and exceptionally incisive history of debt. In highlighting the dangerous banality of debt as a moral obligation, Graeber recounts an illuminating conversation with an attorney on the topic of the global justice movement. When Graeber explains that one of the main aims of the movement was to cancel Third World debt, the sympathetic but inquisitive lawyer objects: 'But they'd borrowed the money! Surely one has to pay one's debts.' For Graeber, the interesting thing about this objection was the self-evident nature of the statement itself: 'the very assumption that debts *have* to be repaid' (2011: 3). He goes on:

The reason it's so powerful is that it's not actually an economic statement: it's a moral statement. After all, isn't paying one's debts what morality is supposed to be all about? Giving people what is due them. Accepting one's responsibilities. Fulfilling one's obligations to others, just as one would expect them to fulfil their obligations to you (2011: 4).

Debt is founded on a form of precise calculation that demands equivalence and is by nature abstract and context-free (2011: 386). A debt is a debt. Context, or, indeed, a decent excuse, does not matter: 'one pays one's debts'. It is these foundations that lead to the assumption that 'personal debt is ultimately a matter of self-indulgence, a sin against one's loved ones – and therefore, that redemption must necessarily be a matter of purging and restoration of ascetic self-denial' (2011: 379).

The morality of debt was manifested in popular wisdom in the focus group discussions, as apparent in the 'one pays ones' debts' obligation rule of thumb and the 'one lives within one's means' prudence rule of thumb. The inherent morality of debt was mostly an unspoken assumption in the focus group discussions, implicitly hailed every time someone made oblique references to the necessity of paying back debts and/or reducing the fiscal deficit. It was more explicitly referenced when participants spoke of a past prudence now lost (see next sub-section). One group, however,

discussed and contested this popular wisdom at length. Their resistance to the popular wisdom of prudence and obligation, is in many ways indicative of how engrained it is:

**Paul:** I think this thing about paying the debts, it's very interesting. Because it works at different levels. For me, it works on a personal level, then I rebel against it. On a personal level, I wanted a bike. My mum said, if you want a bike, mate, you save up for it, you get what you earn. And there's a little bit deep down in me that says that's the world: you get what you earn. So if someone says 'We spent too much, we have to pay off the debt' – well, oh, okay, we're naughty, we shouldn't spend so much. But there's another part of me that says 'you know what? Are they just conning us? Are they just protecting their assets? Bankers saying yes you suffer, because we made mistakes. And everyone of us is thinking 'oh yes, we should earn more than we spend' and then you think 'I have a mortgage, and if I had to save up and say here's a 100% of what this house is worth, here you are' then you would never buy a house. But we live with managing our debts. I don't get paid until the end of the month, so I [inaudible] they give me ... that's the way it works.

[...]

**Paul:** The way the government is selling it as 'oh, you shouldn't pay for things you haven't earned' – I have to step back from this and think: this worked when I was 7 but it doesn't actually work now because our lives are built around credit.

**Denise:** I was brought up to believe that you should save it up. But at the same time you need credit to buy a house.

**Damien:** I'm also very much influenced by my upbringing ... If you want something, you wait ... We've moved away from this basic creed.

[Focus group A1]

One participant in particular, Jerry [Focus group A1], was adamant that the necessity of spending cuts was an economic and not moral issue:

**Jerry:** ...we must pay our debts to move forward, economically, but I have no moral feelings about paying our debts. Because I think, who are we paying these debts to? Rich bankers, with tonnes of money, and shareholders. That's who you're paying the debt to.

[Focus group A1]

Jerry, however, still appealed to the basic and widespread logic that the UK had to cut its deficit: 'The hard economic reality is that we probably do have to pay off the debt which means we probably do have to spend less'. On the back of Graeber's

intervention, we could contest just how economic this imperative really is – but perhaps what matters is the purposeful rejection of moral reasoning itself, even if the historical sources of that ‘economic’ logic may well be moral anyway.

This popular wisdom of obligation and prudence, as well as the household analogy, was consistently drawn upon by Conservative actors in telling a causal story about the rise of the fiscal deficit. As David Cameron explains:

A Conservative Government will make sure Britain starts ‘living within our means.’ This is what households up and down the country do. When people get a pay rise, they don’t go and spend it all at once and then go to the bank manager asking for more money. They spend some – and put some aside in the kitty. We should expect the same from government (Cameron 2008d).

The popular wisdom apparent in this passage, I would suggest, is not simply an example of imposing a narrative upon an audience, but is instead drawing on deeply culturally embedded moral values. This point can be reinforced with a quick comparison. Other studies that have looked at the construction of economic necessity, such as New Labour’s hyper-globalisation discourse (e.g. Watson and Hay 2003), have tended to focus on communication of a *new* concept in particular terms. Yet, in this case this was unnecessary, because the meaning of debt was pre-existing in the form of generally accepted popular wisdom as cultural resources for elites and non-elites alike. This history was, of course, reinforced and shaped by Thatcherism, which involved constant appeals to the ‘common sense’ of household management in the justification of its politics (Hall 1988: 47).

To summarise thus far, these discussions had a number of notable shared characteristics: first, debt was often identified as a, if not the, problem that was in crisis; second, debt was often discussed as an ambiguous moral obligation of the nation as a whole. Taken together, this is a powerful story and an important part of austerity acquiescence: we lived beyond our means, now we must pay back what we

owe. However, this is not the full picture. Part of the narrative is also about *why* the UK has an ambiguous obligation to cut back, and it relates to what Damien [Focus group A1], a participant quoted above, referred to as the moving away from a ‘basic creed’ of prudence and obligation.

### 5.1.3 ‘Living beyond our means’

The participants consistently made an implicit temporal distinction between pre-crisis and post-crisis experiences and expectations of finance. This distinction – evident in the use of tenses, examples below – was between a past in which the UK was caught on a ‘hamster wheel’ [Linda, focus group A2] of consuming beyond its means through ‘finance up to our eyeballs’ [Nicholas, focus group A2] and an austere present and future. The mood in the discussions suggests a shared experience that these otherwise increasingly easy conditions have been jolted and then halted: and with that, a disturbance of the prevailing expectation outlined previously and a reappraisal of values surrounding credit and debt. The image and experience of credit suddenly being withdrawn disturbed normality: it led to a reconsideration and reflection upon the role of credit and debt in everyday life akin to the prudence and obligation rules outlined previously.

The role of the subprime borrower, and the crisis they were sometimes deemed to have caused was crucial, in the discussions, perhaps because no one is deemed to have lived beyond their means as incongruously as them. For example:

**Jerry:** I mean as far as I can work out, this crisis started because American companies who gave out mortgages went out into the euphemistic ‘subprime’ – that’s the word I was trying to remember – the subprime market. So basically they say to a bunch of people who have a temporary job on a hamburger stall ‘you can have a mortgage, and you can buy a property’. And then, I think they’re all surprised three years later when that mortgage isn’t paid. And, one banker had insured one bank against another against that

[inaudible], and suddenly they discovered that bank A has insured bank B, who has insured bank C, bank C has been insured by bank A, and oops, we're all in a big circle and we're all about to flop together.

[Focus group A1]

Some participants were even more upfront in their stereotype of the American subprime borrower, painting them in overtly moralised tones:

**Kyle:** The answer has to be, surely, you don't have to be an economist, we don't have to be at your level to understand, that if we give money to anybody and everybody, y'know, some hillbilly in ... Middle of America who ... is drinking his moonshine, in a swamp, who was never going to pay a penny back after anything.

[Focus group A2]

Sometimes, however, the subprime crisis was brought up in albeit more opaque terms, in which the subprime borrower was not blamed:

**Eric:** Okay, so you heard about the mortgage, where people were fixing the mortgage things? They've been doing that for years. You know the mortgage scandal? Fix the mortgage rates, they don't have to, they're fixing. Some people lost their houses, [inaudible] for years, it hasn't just come now. Imagine if you lost your house. Y'know, and that led to the crash. The whole market went into recession.

[Focus group B1]

The subprime crisis and spectre of the subprime borrowers has two relations to the debt crisis narrative: first, as the starting point for the crisis, second, and perhaps more crucially, as symptomatic of the morally-questionable credit practices that characterised the pre-crisis years of profligacy (for critical discussions see Montgomerie 2008, Seabrooke 2010b).

All groups discussed how either they themselves, or the UK more generally, problematically (morally and/or economically) relied on debt before the global financial crisis. The excerpts below are particularly indicative of a change in

expectations, which is emphasised by the use of past tense to denote an era that has passed:

**Nicholas:** Everything was done on finance. It was finance up to your eyeballs ... The whole thing just exploded from nothing really, we're just reaping what we sowed before and everyone benefitted because they've all bought the conservatories, the car, they've all had a new settee ... Everything just exploded and now we're back to how it should have been in the first place. We're back to when where we should have been ten years ago.

**Kyle:** The bubble has burst.

**Nicholas:** It was all false.

[Focus group A2]

**Michael** [broadcast journalist]: It was too free and easy. I was at university in the early 90's and as a result of that ... I walked away with a massive amount of debt.

**Caitlin:** You could have as many [credit cards] as you like [...] I don't think it's like that anymore – every day you'd get offered one [...] Don't think you get that like you used if you think about it.

[Focus group A4]

This reappraisal of the pre-2008 role of credit and debt was common, but is perhaps best summarised here, where it is linked back to a return to a previous prudence:

**Linda:** I think we got into the most terrible situation – I think – of feeling that anything you wanted you could go out and buy and we all got caught on the hamster wheel and it's much better to go back to the way I was brought up which was you don't buy anything until you could afford to buy it within reason.

[Focus group A2]

The experiences of financialisation and subsequent reappraisal of economic dependence on credit is, for some, a return to a moralised 'fantasy of the national fitness of the past' (Jensen 2012: 2).

Research from YouGov's 'DebtTracker' 2008-10 survey, in which a nationally representative sample of 2000 UK adults in addition to 1000 'financially distressed'

are queried about debt, provides further hints about some sort of reappraisal about the desirability of relying upon credit. The survey asks respondents for their level of agreement on the statement ‘Borrowing has become a way of life’. Whilst in July and October 2008 over 60% of respondents agreed with this statement, this fell dramatically come June 2010 to just 35% (YouGov 2010). The wording of the question is particularly interesting since it has an implicit judgemental element. The question does not ask if respondents rely on borrowing, but specifically whether indebtedness is entangled in the process of life itself. Similarly, respondents were asked to judge another statement: ‘Companies lending money have only themselves to blame if people stop repaying’. Again, although less dramatic, whilst in July 2008 57% agreed, this fell in June 2010 to 47%. The poll also shows that ‘there has been a decrease in the number of people who use their overdraft facility, as well as a decrease in the number of people who are usually overdrawn by the time they get paid’ (YouGov 2010). In part this shift is due to the ‘crunch’ itself: credit became harder to come by (YouGov 2010), and people feel anxious about their own financial situations. Extrapolating from this experiential knowledge is central to the process of making sense of imperatives of the fiscal element of the debt crisis. The following excerpt is illustrative of this:

**Kyle:** [Talking about the culture of relying on credit] Yeah, it’s a culture, innit. And the answer is to borrow, for everything. It’s one thing for borrow for business, it’s another thing to buy a car, it’s another thing to buy a house. But when you’re buying everything that way, all of a sudden governments are doing the same, y’know, buy a few [towns], buy a few schools...

[Focus group A2]

This sort of comment, in which the pre-crisis explosion of consumer and household credit was seen as part of the same ‘culture’ that led to the indebted state, was

relatively common. Implicit within the statement above is a judgement that living within means is unsustainable, and one (whether that is households or states) must pay back their debts through necessary austerity.

Bringing these elements together, we can see clearly the moralised and guilty element within the Debt Crisis narrative. As Bob Jessop has argued, there may be a ‘widespread belief that ‘everyone’ is to blame because of generalized ‘greed’ based on the financialisation of everyday life in the neoliberal economies’ (Jessop 2013)<sup>4</sup>.

This was partly reflected in some of the focus group conversations:

**Denise:** We’ve been on some nice holidays, but unless we’ve got the money ... I don’t know if we are. So yes, perhaps it [the Conservative narrative] is working on me. I feel guilty ... Before I would have taken credit, but now I’m not so sure.

[...]

**Paul:** And it is a two-sided thing: I do get a bit, yes it’s our fault ... [...] but part of me is thinking no, this ... this is all crap.

[Focus group A1]

This sense of guilt could be strengthened through the notion that populations are, in some sense, the recipients of public spending, and so perhaps are partly responsible for the over-spending. For instance, Maurizio Lazzarato has spoken about a notion that:

the crisis is your fault, because you’re retiring too early, seeking too much medical care, aren’t sufficiently flexible, consume too much in public services. That is, you’re guilty of living beyond your means (Lazzarato 2012: 169-70).

However, as Chapter 7 argues, responsibility for state indebtedness is normally shifted away from the population as a whole. Nevertheless, this mood that ‘we’, the British public, are now ‘reaping what we sowed’ [Nicholas, Focus group A2] and are somehow responsible for the austere politics and life we must now live through is an

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<sup>4</sup> Note that this quote comes from an unpublished draft version of the source. Used with permission.



undeniable part of austerity acquiescence, broadly conceived, because it generates a general sense for necessary asceticism. As Chapter 6 shows in more detail, many believed the state was too acting in a profligate fashion, which is when acquiescence to the imperatives of fiscal consolidation is truly produced. It is the flexibility of debt and ambiguity of the crisis that makes this sweeping narrative of austerity make sense.

### **Summary**

This section has made three points. First, that the problem most participants defined and identified as in crisis was debt, but in a way that was surprisingly ambiguous. Second, this ambiguity is in part a result of the flexibility of debt itself. Debt is experienced and judged through moralised lens. This is evident in popular wisdom about the use of credit, in which two rules of thumb – one should be prudent and live within means, and one has an obligation to pay what they owe – are prevalent. As a moral rather than just an economic obligation, it is possible to place both households and states into an analogous narrative of austerity. Third, most participants did do just that. By drawing on their own experiential knowledge of the pre-crisis expansion of credit, they could make sense of the fiscal deficit in a similar fashion, sometimes attributing both state and household indebtedness to a similar ‘culture’ and the need to return to a more moral past. This narrative generates acquiescence almost in its very own terms: the country has lived beyond its means, and now must reap what it sowed in meeting its debt obligations. One crucial point is that this popular wisdom and these experiences of debt existed *before* the Conservative narrative asserted the UK must live within its means – but it ‘uses’ these experiences in a partisan and political fashion. That crisis works for this very reason, because it resonates and speaks to what already exists; fiscal consolidation can be justified by shared beliefs. The debt crisis narrative, however, is incomplete, since it does not account for why, exactly, the

state became so indebted in the first place. Chapter 6 continues this narrative by exploring this, once we have briefly considered the alternative crisis narratives offered by the focus group participants.

## **5.2 Alternative everyday crisis narratives**

Although the method of the thesis involves reconstructing common narratives based on shared wisdom and experience, it is still crucial to survey alternative crisis narratives – even if they are not as common. This is for two reasons. First, it is important as a standalone activity. The method used in this thesis can threaten to impose certain coherence upon the focus group discussions that would do a disservice to the varied and pluralistic nature of the participants’ talk. It is thus crucial in terms of the politics of research: to show the minority views and to give a glimpse of other political possibilities. Second, it is also interesting to survey alternative narratives because it can still inform us about the process of austerity acquiescence – even if the narratives may seem, at first glance, that they may logically contradict the causal story of the Debt Crisis narrative.

### **5.2.1 Alternatives to and within the debt crisis**

Given the changing contours of public debate, the election of François Hollande in France, and the line previously pushed by Shadow Chancellor Ed Balls, one might reasonably expect the push for economic growth to constitute an alternative narrative. Where possible groups were asked to reflect on the ‘growth alternative’. Only one group mentioned growth without prior prompting. Interestingly, although one opinion poll result shows that when given a choice more people opt for growth over austerity (Barker and Marengo 2012), I found that the growth alternative was not given priority. When it was discussed as an alternative economic policy-making priority to fiscal

consolidation – which was relatively rare<sup>5</sup> – responses varied from, at one end, logically prioritising deficit reduction to, at the other, barely concealed ridicule:

**Damien:** I do think the priority has to be to pay off the debts. That is the first priority. And yes, I would agree that growth must come. But I would place those two things in that sequence: pay off the debt, debts; and ... support, secondly, growth in the economy. I think it has be that sequence.

[Focus group A1]

**Interviewer:** So, in France, for instance, Hollande got voted in on the basis of saying we needed less austerity and more economic growth...

**Kyle:** Well he didn't really did he, he just got votes....if it's austerity then that means my salary might be cut, I'll vote for the ones that will increase my salary. It was [inaudible] to realise that economic policy for going for growth was it [laughter] [inaudible] [...] Nobody is going to go out there and say you know what, I'll tell you what, economically we'll go for growth. We'll buy our way out. We'll borrow some more. No one is that clever! Like in France. They just say, he's saying I'm gonna have all your money off you, he's saying I can have some more, I'll vote for him. That's public jeopardy [?] isn't it?

**Duncan:** We all just vote for the party that's going to cut taxes. But they don't.

**Kyle:** Yeah!

**Nicholas:** But they never do.

[Focus group A2]

Given these responses, especially the latter, it is hard not to sympathise with the oft-trotted out line that to argue that an economy in recession, but also 'drowning in debt' due to an overblown public sector, should be saved by spending more is, as Andrew Gamble says, 'too clever by half' (2012: 53). Indeed, it is far more intuitive to argue, as leading Conservatives did, that 'embarking on a government borrowing binge to pay for tax cuts or spending increases is dishonest and unfair' (Cameron 2008a). From this we could tentatively suggest that an alternative 'growth crisis' narrative

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<sup>5</sup> Since some groups were asked, explicitly, to reflect on the 'growth alternative' and some were not, it would be foolish to draw any conclusions from this inference. However, it is perhaps noteworthy that only one group mentioned growth without prior prompting. One opinion poll result shows that *when given a choice* between the two, more people opt for growth over austerity (Barker and Marengo 2012).

would not be ‘sufficiently general and simple’ enough to ‘make sense to individuals ... of their experiences of the crisis’ (Hay 2010: 22).

While there is certainly some truth in this, if we are a bit more flexible with our understanding of what constitutes a discussion about growth then the conclusions may be more muddled. There was, for instance, some limited discussion about the reliance of the British economy on finance and the lack of manufacturing that would imply that growth might be the problem:

**Caitlin:** But as you said earlier, we don’t make anything in this country anymore. I don’t see how you can make any money if you don’t make anything. Sitting around all day at tables talking, that doesn’t make much money.

**Michael:** We can kind of have ... I talk about this quite a lot with family members and stuff who have done stuff in the past, y’know, creative or built stuff in the past. Is there a way back? I don’t think there is.

[Focus group A4]

**Paul:** You talk about the macro management of the economy at the governmental level, and you’re thinking, so these politicians and economists are nuts: the sensible way for the economy to go is to put *so much* into the housing market, *so much* into the financial sector, to the detriment of proper manufacturing and other sectors. This is the way we’re going to run our economy, and not to expect that there might be some issues down the line.

[Focus group A1]

Although these discussions were limited, they do highlight the possibility for a more transformative crisis narrative of sorts – one that paints the problem not as debt that needs to be (regressively) cut back, but as instead a faltering economic growth model that needs to be (potentially progressively) reformed.

These alternative narratives question the extent to which the UK is suffering from a debt crisis. There were also instances when discussants accepted the debt crisis but either questioned the specificities of the programme, or presented different methods for dealing with deficit reduction. For instance:

**Lynn:** And I know there's a lot of debt and that we need to reduce the deficit, but Labour would have actually done it at a slower pace, so people would have still kept their jobs, to be paying their taxes and income taxes and everything else, so in the end of it we would have probably got a few years longer and we would have actually had a steady decrease in the deficit but what he's trying to do in trying to cut it is you've put more people out of work, the industry has gone, you've lost jobs, more people are on benefits and are claiming more, it is not actually decreasing the actual deficit. It's actually raising it!

[Focus group B1]

It was noticeable (and indeed quite understandable) that when asked about local controversies about public spending cuts, many participants raised qualms. Participants told negative anecdotes about cuts to local police and community officers [Focus group B1], redundancies to friends as a result of austerity [Focus group A1], public sector salaries frozen [Focus group A4] and so on.

Although it was rarely explicitly said – bar once [Debbie, Focus group A1] – it seemed the case that while austerity was a necessary *abstract* and *national* imperative, the *concrete* and *localised* implications of this would be thoroughly negative and should be avoided at all costs – in ‘NIMBY’ style. This seeming belief in two logically incoherent beliefs might seem somehow inconsistent. I would caution against such a hasty conclusion: even if we dispel with the notion that we are exploring individual beliefs as I did in Chapter 2 and 3, there is still nothing *logically* contradictory about arguing for spending cuts while also wishing to avoid feeling them<sup>6</sup>. Again, this highlights the impact of the flexibility of debt and the ambiguity of the crisis.

In regards to the latter of these two alternative narratives, some participants spoke about how the deficit can be reduced by increasing taxation on the rich – including

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<sup>6</sup> This is perhaps where the politics of blame displacement comes in: hide the cuts, and attack vulnerable and unorganised groups (Weaver 1987, Pierson 1996).

targeting bankers' bonuses, tax havens, and over-paid and unnecessary public middle management. For instance:

**Lucy:** I think probably yes [spending cuts are necessary]. But I think that the deficit should be partly made up from elsewhere – from very profitable businesses – that's what I was saying earlier. I think people who make a lot of money should be made to have a bit more a social conscience and not put all their money in Jersey or offshore accounts.

[Focus group A3]

Lucy went on to specifically explain how taxing the 'bigger targets', and not 'people like me', should be the basis for reducing the deficit:

**Lucy:** And I think the money should be found – tried to be found – from elsewhere. And I don't think it should be found by taxing – obviously I don't think it should be found by taxing people like me – but by taxing ordinary people there are bigger targets to aim at.

[Focus group A3]

This question of taxation is taken up in more detail in the following chapter.

## **5.2.2 Alternatives to and within capitalism**

Two participants in one focus group offered the most radical alternative narratives. Jerry [Focus group A1] was very cynical about the motives and interests of those in the finance industry. He was keen to point out how while paying back Britain's debts may be economically important, it was not so morally, because the money would be going back to bankers, who 'have moved to protect themselves and we've all paid for it'. For instance:

**Jerry:** Who owns the debt? Who have they got to pay their debts to? And it is capital protecting itself again, isn't it. The people who ... it's perhaps, the people who massively over-extended themselves and lacked judgement, gave money to people to, y'know, to go out and get bad mortgages and so on, I'm trying to think what they're called ... junk, and all this sort of thing ... They're the people who now, if you say we must pay the debts off, we're actually protecting the people who were foolish to pay off the loans in the first place [...] we must pay our debts to move forward, economically, but I have

no moral feelings about paying our debts. Because I think, who are we paying these debts to? Rich bankers, with tonnes of money, and shareholders. That's who you're paying the debt to.

[...]

I'm not sure as long as Britain, we're the 8th largest, or 7th or something, biggest economy in the world, if we still want to be that sort of country, we do have to pay off the debts. The choice is very radical, we could tax more. We could say to the people we pay the debts, we know what, we've borrowed at 5% interest but we're going to give it back at 2% interest. There are things we could do, that I think we are being spun to about by having the party of the ruling class in charge at the moment – but they're not that different from the other party who were in charge before. But I think the hard economic reality, is that we probably do have to pay the debt, and that probably means we do have to spend less. I think there's lots of different ways to do it.

[Focus group A1]

This narrative pinned a significant part of the blame on bankers' lending practices, which in itself was blamed on the lack of pre-crisis regulation. In Jerry's words, 'saying there is no alternative to capitalism isn't an excuse for saying we shouldn't regulate or manage it'.

Another participant from the same focus group, Paul, offered the most radical of the alternative narratives. Similarly, like Jerry, he also challenged the seemingly perverse logic that the UK may be paying off its debts to support bankers: 'Bankers saying yes you suffer, because we made mistakes'. However, Paul took it further by questioning capitalism itself. For instance, at one point he acknowledges 'the debts' but questions whether we even have to pay them back, because 'it comes back to the fact that there are some sections of the global economy, or whatever, that want to protect assets, and to do that we have to make cutbacks because they're shifting money about or doing what they do, then you have to question that'. Although he is critical of capitalism, he equally acknowledges that it is the system that the UK, and indeed global economy, currently has – and there is no alternative system:

**Paul:** Take a step beyond that, which I don't know much about, but now you're talking about economic systems, we've got global capitalism. I don't know what replaces global capitalism, but I accept that this is how it works, this is how it has come about for our situation, yes we have to make those cuts and changes because we're in the system. [...] And they say, global capitalism is the best system we've got ... it's the worst system, but it's the only system we've got.

[Focus group A1]

Although there were differences between the alternative narratives espoused by Paul and Jerry, they were linked by a belief that 'every crisis provides tremendous opportunities for certain people from certain sections of society who can make a killing' [Paul, Focus group A1].

### **Summary**

Despite the prevalence of a common Debt Crisis narrative, focus group participants also offered other crisis narratives. Among these included questioning the pre-crisis reliance on finance for growth or by making up the deficit from taxing corporations. A couple of participants in one focus group even went as far as to question global capitalism itself. However, none of these narratives were 'shared' to the same extent as the other narratives analysed in this chapter. They were much more isolated in character. Consequently, none of them can be said to reflect the mood of the times in the intersubjective fashion I outlined previously. Interestingly, the majority of these alternative narratives are compatible with the main Debt Crisis narrative. As Paul notes above, while he can see that capitalism is but one system, within that system there are rules to follow so 'yes we have to make those cuts and changes because we're in the system'. Consequently, a form of austerity acquiescence was still sometimes produced, albeit in a form that is somewhat more begrudging than the rest.

### **Concluding remarks**



‘Not all symbols are equally potent’, William Gamson observes, ‘some metaphors soar, others fall flat; some visual images linger in the mind, others are quickly forgotten’ (1992: 141). Since crises encompass a narrative – depending on the story told different outcomes are made possible – Gamson’s observation should apply equally here. Why do some crisis narratives ‘soar’ and others fall relatively flat? Gamson pulls out two reasons that resonate with the analysis posed in this chapter: first, some narratives ‘have a natural advantage because their idea and language resonate with a broader political culture’ (1992: 141), meanwhile, second, ‘some issues are very close to people’s lives, whereas others seem remote’ (1992: 163).

This chapter has looked at how the debt crisis has been narrated, and Gamson’s insights appear as relevant as ever. As the previous chapter argued, for the majority of participants there was little ‘public’ disruption or suffering that can be directly attributable to recessions or spending cuts. Instead, there were anecdotes about community neglect and uncertain futures, but little evidence of a mood receptive to a story of state failure or collapse. There was, however, as this chapter has argued, a shared sense that the ‘problem’ is debt. It is an abstracted and moralised debt crisis in which both the state and households have spent too much and must now cut back. By merely defining the problem as debt, participants began the process of acquiescence in which alternative stories are already restricted and hidden.

Two additional processes, however, were central to the production of austerity acquiescence. First is the popular wisdom and experience – ‘one pays back what one owes’, ‘one lives within means’ – about debt that emanates from deeply held and well-embedded cultural values. That debt is a moral as well as economic obligation helped make the debt crisis ambiguous, as something that encompasses both states and households. There was a particular narrative that created a chronology in which

Britain lived beyond its means before the downturn through the overuse of credit, and now must live within its means – invoking a past of prudence that should be rediscovered. In justifying spending cuts, these various experiences and pieces of popular wisdom made fiscal consolidation seem like a good idea. Second, the process of sense-making itself was crucial too. Extrapolating from the personal level onto the state level necessarily distorts how one makes sense of the state's indebtedness. The result is that the imperatives of the debt crisis resonated the mood of the times.

Stuart Hall famously argued that the 'success' of the Thatcherite story of state overload 'does not lie in its capacity to dupe unsuspecting folk but in the way it addresses real problems, real and lived experiences' (1979: 20). The 'success' of the debt crisis came not from duping the public into acquiescence, but through giving sense to a particular shared set of experiences and meanings that meant they were receptive both to the proposed causes and 'symptoms' of crisis, as well as the logical fix. However, this represents only part of the analysis of the Debt Crisis narrative. This chapter has covered the experiences and norms surrounding debt, but it has missed out an important part of the crisis narrative: why has the UK got a deficit and/or debt, and how does the justification of this impact upon austerity acquiescence? This is the topic of the next chapter.

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## **Chapter 6. State profligacy and the ‘squeezed middle’: Legitimacy gaps in fiscal relations**

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As an undergraduate student, I worked for a county council during one Easter vacation. My job involved counting cars in car parks. I had to do this 15-minute activity just once an hour, leaving 45 minutes to read, walk around or just be generally quite idle. For a student, the pay was good, but I only worked on the project for 2 of the 8 weeks it ran. I was not employed directly by the council, but by an agency that ran the entire survey. This included sending a supervisor from the agency HQ – hundreds of miles away from the site of the survey – and that meant providing a hotel and a courtesy car. When the supervisor did not turn up on my third day, I was asked if any of my friends were interested in stepping into the breach. Naturally, they were. One day, working with a friend, we estimated that the cost of this car-counting project – taking into account our wages, the cost of the supervisor and expenses, and so on – would have been in the region of thousands of pounds. That is, thousands of pounds to know how many cars were parked in a car park (hint: not that many). It seemed obvious that this was a waste of ‘taxpayers’ money’. My attitude for months

after this event, especially whenever I saw ‘record levels of council tax’ style headlines, was of cynicism. I knew, or at least thought I knew since I had some form of first-hand experiential knowledge, where the money was going. In other words, it left me questioning, at least implicitly, the legitimacy of taxation and, to a lesser extent but by implication, the state. It is that sense, or mood, that I also discovered in many of the interview participants.

If the previous chapter was concerned with the everyday production of a debt crisis narrative in which public spending cuts were deemed necessary to reduce the fiscal deficit, then this chapter is the next logical step. For if we assume the UK state is indebted, then the obvious question then becomes ‘where has the money gone?’ How the focus group participants made sense of this question in regard to the wider Debt Crisis narrative is the concern of this chapter. The argument consists of two parts. First, participants seemed to distrust the fairness of official resource allocation, as evident in the continuous swathe of anecdotes about state profligacy. Second, participants seemed to experience taxation through a moral abstract order that produces the notion of a ‘squeezed middle’ taxpayer in opposition to a morally undeserving rich and poor. This provided the sense that the current system of redistribution is unfairly skewed against the middle, making some participants resistant to higher tax and, to reverse the logic, acquiescence to political strategies that promise to lower government revenues (and especially those cuts that target the undeserving). Taken together, these two points point to a legitimacy gap between the expectations and the experience of public money – a mood of the times – that the Debt Crisis narrative resonated with.

The chapter is divided into two sections, reflecting this argument. The first analyses how interview participants discussed and contested state spending. It is highlighted

how the state is presumed, for the most part, to be poorly organised – illogical, even – and too bureaucratic, suggesting pre-existing fiscal legitimacy gaps. The second section takes this analysis even further by questioning how the shared group position of squeezed taxpayer is experienced in opposition to the undeserving rich and poor. The primacy of this moral abstract order leads participants, I argue, to experience fiscal legitimacy gaps; the existence of which helps explain acquiescence to austerity.

## **6.1 Experiencing state spending**

### **6.1.1 Political disengagement and fiscal morale**

It might seem strange for a thesis on fiscal consolidation to have an albeit small subsection on political disengagement. However, its inclusion is based on a premise of simple and sound logic: if citizens (are disengaged because they) believe politicians are incompetent or lacking the capacity to act, then it is unlikely they will be willing to comply with paying more taxation to fund deficit reduction. And, if it has something to do with the legitimacy of fiscal relations then it is surely relevant to the puzzle posed here.

The literature on political disengagement is typically interested in ‘demand-side’ explanations. Robert Putnam’s (1995a, 1995b) ‘bowling alone’ thesis, posits that declining levels of social capital – linked to wider community engagement and citizenship – are to blame for declining levels of political disengagement. As Colin Hay (2007) persuasively argues, the problem with these accounts is the assumption that the responsibility for political disengagement lies with the citizens themselves – hence the ‘demand-side’ tag. Hay instead encourages us to begin analyses with the assumption that democratic polities get the levels of political participation they deserve. This ‘supply-side’ approach thus encourages us to move beyond the

assumption that citizens are disinterested or disengaged and instead consider whether it is the quality of goods on offer that might be the problem. Hay looks to processes of ‘depoliticization’ to blame (see also Burnham 2001, Flinders and Buller 2006, Jenkins 2011). From Thatcherism onwards, the idea of an increasing barrage of constraints to their policy-making autonomy (because of external economic constraints, from business-school globalization thesis, or due to ‘hollowing out’), as well as a normative commitment to decreased autonomy (because they cannot be trusted, from rational choice theories) was internalized and became self-fulfilling. The result of a self-denying depoliticized politics is, Hay argues, a disengaged electorate.

The ‘supply’ of politics took a further major shock when, in 2009, the MPs’ expenses scandal that consumed British politics. Following a revelation by a major newspaper, detailed information from leaked documents demonstrated how some MPs had abused their parliamentary expenses – in particular, making personal financial gain from gaming the Additional Members Allowance. The scandal was seen as symbolising everything that is wrong with the current political system: politicians that do not care about the average person, just in it for their own personal gain, and so on. While the idea that politicians are by nature self-interested and self-serving is not especially new, Matthew Flinders (2012) argues it was intensified during the MPs’ expenses scandal which demonised politicians. Flinders convincingly demonstrates how a moral panic unfolded at the time, with politicians centrally positioned as the ‘folk devils’. This, Flinders argues, intensified the narrative that ‘*all* politicians are self-interested, corrupt and untrustworthy as part of a broader narrative that views democratic politics as somehow failing’ (2012: 2). Flinders is at pains to highlight that while a public scepticism towards the political elite is a healthy and important aspect of democracy,

the moral panic has slipped into full demonization and a ‘corrosive cynicism’ (2012: 6).

This literature provides a number of relevant insights. For starters, it suggests that people are not necessarily disengaged from politics due to straight apathy or disinterest. It instead suggests that changes over the last three decades or so have created a shared perception that politicians neither can nor should make a difference. If politics is depoliticised, then it is perhaps no wonder that people are losing interest. Second, it suggests that this sense has been strengthened by the recent MPs’ expenses scandal, in which a ‘corrosive cynicism’ towards self-serving politicians has emerged. Since tax politics ‘shapes and is shaped by patterns of public trust’ (Martin *et al.* 2009b: 13) this is a very salient issue for our purposes. It is reasonable to expect that in this case one will resist tax rises if one does not trust the state to spend rightfully earned cash carefully.

Political disengagement and cynicism towards politicians were rife across the board in the focus group discussions. The following excerpt highlights this – with Shauna’s later corrective included to show how it was not totally one sided:

**Rose:** Can I just ask – you don’t have to answer this – but do you all vote?

**Jo:** I don’t think I’ve ever voted.

**Jilly:** Me neither really. [‘Why?’] To be fair, I wouldn’t really know who to vote for, because I can’t see any of them changing anything. I think it’s just going to keep going...

**Eric:** The winners are already picked before the voting [...] It’s picked about 4 or 5 years before.

[...]

**Shauna:** But the reason it doesn’t change is because people like us don’t go out and vote!

[Focus group B1]

There was a very real sense that politicians had no capacity to change anything, and, as the next excerpt highlights, that they lacked common sense:

**Caitin:** We should just get rid of all the politicians, and just get a group of people off the street really. [Laughter] I really think that you could go into Moseley and get a group of people who would have a far better idea about what needs to be done than the politicians. It's common sense.

**Mandy:** I think sometimes they do know, but actually they haven't the will to do it. The guts...

[Focus group A4]

Although debates about political disengagement typically ignore fiscal issues – which is odd given that there are strong historical causal links between tax and representation (Ross 2004), and that tax is one of *the* main ways in which citizens interact with the state – they are clearly quite crucial. If one distrusts politicians, then one is unlikely to be interested in donating their own hard-earned money to line these elites' pockets.

### 6.1.2 The mundanely profligate state

**Kyle:** That, as you say, it's all the other bits. I think the public sector was spiraling out of control, to the point where somebody is going to say 'you can't put it off for another parliament as everyone has done for the last'....

[Focus group A2]

**Jamie:** They haven't invested in the right things they should have been investing at the time, they invested in stupid things that have failed.

[Focus group B2]

The participants I interviewed, in general terms, did not talk about the allocation and efficiency of public finances in particularly positive terms. It appeared at times as if participants were implicitly answering a question: assuming that we accept that the state must cut back to reduce the deficit, then we may naturally want to contemplate how and why the state managed to overspend so spectacularly. In this sense, this



section rounds off the debt crisis narrative explored in the previous chapter. It provides the full story, in reverse order: the UK must cut services to cut back the debt; the debt, itself, was a result of state overspending. Narratives of state over-extension or ‘overload’ are hardly unfamiliar (e.g. King 1975). Indeed, it was a central theme in the narratives that made Thatcherism possible (e.g. Hall 1979, Hay 1996a). Over the past four decades or so, the British state has been consistently attacked by the Right for being too big; too bureaucratic and onerous; too wasteful with ‘our money’. In this sense, the coalition government had a rich tapestry of well-rehearsed stories and well-engrained values to conjure when constructing their own crisis narrative.

Nevertheless, anecdotes were consistently hailed to complain about the misuse of public money. As discussed previously, anecdotes have a privileged place in conversation. When people use experiential knowledge to make a point about something, they usually do so through stories about themselves or someone that they know personally (Gamson 1992: 122). Analysing anecdotes, in this setting almost always delivered to make a wider point, is thus one of the primary ways of analysing experiential knowledge<sup>1</sup>.

The theme discussed in this section should be understood as a ‘mundane profligacy’ because while respondents had their individual ‘big’ reasons for state indebtedness (the armed forces, ‘too many people in the country’, which are both briefly looked at below), it was the ‘little’ reasons that were consistent. The state, it seems, is experienced as a wasteful and inefficient body for allocating and spending public money. That it spends so much on unnecessary services, and is poorly organised and

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<sup>1</sup> This experiential knowledge is, however, likely to be biased. As the behavioural economic and public choice literature tells us, people are likely to remember losses over gains – what is done *to* them rather than what is done *for* them – and then extrapolate from those experiences (Kahneman and Tversky 1984, Weaver 1987: 373, Pierson 1996).

overly bureaucratic, helps explain why the state overspending tropes embedded within the ‘Debt Crisis’ narrative resonated so well.

### 6.1.3 ‘Spending money willy-nilly’

There was a sense, especially in the B groups, that the state gives money away in an unsystematic, arbitrary, and unfair manner. The comments from Claire, below, highlight this:

**Claire:** But you’re saying that ... there are differences [between now and before the crisis] ... it’s not so much of giving things away for free, like computers, and things. Laptops. For kids to use, but the adults were actually using them and the children were not. Taking them to shops and getting them chipped. All that business ... there’s none of that anymore! But we’re getting out of the recession, and we’re not as bad as we was when we were just giving stuff away willy-nilly – d’ya know what I mean?

[...]

**Mary:** That’s chicken feed out of the national budget. It’s the billions they give away to overseas aid where it’s not necessary.

[Focus group B6]

This notion of ‘giving money away’, also invoking an issue of deservingness, was also apparent in the other B group:

**Rose:** Yeah! Vote Labour! They’re giving money away left, right and centre. Let’s give you some because you haven’t got a job, and let’s give you some because you’ve got 5 kids. And the next kid some too, because you’ve just arrived in the country and we feel sorry for you. You can’t just go out giving money to everybody.

[Focus group B5]

The unfair element is key. This was particularly the case, for example, when Focus group B6 discussed how a neighbouring area received a form of trust fund that they did not.

Similar to this was the relatively more nuanced sense that public money is being misspent. As opposed to ‘free money’, these discussions, which chiefly took place in

the A groups, were more squarely focused on the illogical banalities of state profligacy that are apparent in everyday life. The illogical element is key, because at times it appeared participants who produced this discourse felt almost personally offended at the banalities they described. The example below is particularly illustrative because it was in response to a question I asked about controversies about local spending cuts. The logic behind the question is that it would invite participants to discuss struggles in the local area, opening up space to discuss struggles on a more national level. That this was purposefully interpreted in this way, following some discussion about a library closure, is quite telling:

**Nicholas:** I would be the opposite. I would say my controversy is spending money round here on the roads, throwing money around – and I’m thinking, what are they doing that?

**Duncan:** On street lights...or...?

**Nicholas:** Well, just on... that business down there towards Manor Road and towards your road, there’s a bridge. And they’ve put that, they’ve extended the pavement. What have they done for!? I’ve got no idea.

**Kyle:** Well, I don’t know what they’re doing that for. But you’re kind of hoping that maybe they’re going to do some of the middle land in the ring roads.

**Linda:** I know...

**Kyle:** I think that’s the city council, they’ve gone into a huge contract for [...] number of years with [...] to do all of the ... roads.

**Duncan:** It’s not just the roads...

**Kyle:** It’s all the infrastructure isn’t it. So they’ve got this ... I don’t know where it’s come from or how they do it.

Whereas this excerpt above highlights the perverse incentives and institutions that encourage this illogical banality, the following excerpt gives sense of a cultural sea change:

**Caitlin:** I still think there's probably a lot of money wasted. I mean, at the moment, we're having all new streetlights being put up on our road. And you look at the old ones and you think 'Hmm, well, there's ....'

**Mandy:** In lots of places – not in Moseley, but generally – to save money.

**Caitlin:** I'm sure they'd say that these ones are energy-saving or whatever. But I just think if times are sort of hard then I think you probably just leave that for another couple of years and think they'll last a bit longer, y'know. I just think that all the time there is money wasted on ... dunno. I dunno. Office furniture, and paperclips. And ...I dunno. I was bought up that you didn't replace something until it broke really, and things then lasted a long time and now they don't. I feel as if there's too much replacing of stuff because [Michael: you can], yeah. Whereas in these sorts of time we should be thinking, oh, that road doesn't need resurfacing, we could make that last another year.

[Focus group A4]

It also needs pointing out that the 'illogical banalities' discourse was also, at times, produced in the B groups, for instance:

**Rose:** But why haven't the state got any money? Why haven't we got any money?

**Interviewer:** Well, that's the question...

**Rose:** We pay the highest taxes in the world. Why haven't we got any money left?

[inaudible]

**Jo:** It's because they spent so much money on trying to make the place look better.

**Eric:** It's not that.

**Jo:** Yeah, it is! Kind of. Look at how much money we spent on the Olympic stadium, how many times are we going to use that?

[Focus group B5]

This is the profligate state at its most mundane, highlighting the power of everyday experience in sense making about the state, both in terms of the role of experiential anecdotes and in terms of conceiving the state as overspending<sup>2</sup>.

#### 6.1.4 ‘It’s really a bonkers system’

While the discussions above tended to tell stories about free money and experiential knowledge of illogical banality, there were also discussions that reflected wider views about the *systematic nature* of state profligacy. Four themes emerged – tragicomic incompetency, general inefficiencies, onerous bureaucracy, and the shift towards ‘Suits’.

In Focus group A2, in particular, the participants shared numerous anecdotes that painted a picture of an almost tragicomedy of state incompetence:

**Nicholas:** It’s shut that has [the swimming pool].

**Linda:** They had an asbestos problem.

**Duncan:** I didn’t know that.

[inaudible]

**Linda:** Ridiculous.

**Kyle:** Farce. It’s just somebody is on the table, and it’s just money after, money after, money after – how much have they spent on it? 3 hundred and fifty thousand was it?

**Linda:** And they knew it was there, somebody knew when they built it was there.

**Kyle:** Well exactly. And it’s just rubbish isn’t it. What they’re doing with it. It’s a hell-of-a-waste of money. But it’s a great facility.

[Focus group A2]

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<sup>2</sup> It should also be noted that there was also much discussion about how public money has been wasted on politicians’ expenses, quantitative easing and bank bailouts. However, this is a topic that is examined in a subsequent section, for reasons that will hopefully be obvious when we get there.

This tragicomedy was not, however, always apparent. Sometimes the discussions were far more sober, instead focussing on the general inefficiencies of the public sector. For instance:

**Peter:** There are lots of reasons for making savings. In any savings, there will be inefficiencies, and it's always good value to get rid of those inefficiencies, cos y'know [...] Efficiency savings you can get, it just makes good sense.

[Focus group A1]

In other instances, however, the focus was on onerous and unnecessary bureaucracy, often emphasising the one-size-fits-all nature of benefits or the impenetrability of official documents:

**Mandy:** It's the same with this incapacity benefit, or whatever it's called now, they change it all the time. The way they have this system, and it doesn't fit everybody. So you might fill in a form that doesn't apply to you, and there's so many people appealing – and I know some of these, because of my friend – and she won't know until September because there's so many appealing, even though she had a phone call saying she must appeal. So it's this crazy system.

[...]

**Michael:** Yeah, it's really a bonkers system.

[Focus group A3]

Some of the most interesting anecdotes, however, came from those who worked within the public sector. Their position within the thick of it, as it were, provided an interesting take on how the institutions that make up the state have been slowly transforming over the last few decades: the move to 'new public management' (Dunleavy and Hood 1994), 'modern governance' (Finlayson 2003), and other, related, practices. In particular, there was discussion of, as one participant put it, 'the Suits', which referred to an abstract group of well-paid managers whose roles were, in some sense, unnecessary (and thus a waste of money):

**Jerry:** ...but sitting right in the middle of the health service and watching it go on and I've previously worked in the local authority, so I watched it happen

there a couple of decades ago. What kind of annoys me is when you have cutbacks, and they are terrible cutbacks, then they're done very badly, inasmuch as they say right you've got to save 10%, so the people who make the decisions about how we do this are the people who are on 100 grand plus in really good director/management [...] Those people sit and discuss what should be done and how to make efficiencies with all the people who are making 15-20 thousand pounds a time, and how we'll have to cut back on some of them, and some of them might have to work longer hours and all that, and I never see any reduction in the people who are earning 100 grand, I've never seen one of them decide ... made redundant.

[Focus group A1]

**Michael:** Things that we get most jarred off about is ... endless kind of investigations, meetings, focus groups, [laughter]. But on a scale that is ... keeping some bloke in a suit in a job. And you think that bloke in a suit doesn't actually need a job, he could just... We don't need all this...It just seems a lot of 'padding' in various levels above those people above those people on the ground who do the jobs. I think ... I dunno, that seems to be across the board.

**Caitlin:** There's too much talking, not enough action.

[...]

**Michael:** In many ways, most of us are kind of baffled by lots of decisions made. But I think that's common across any public sector working, y'know, the decisions that are made you just think, Christ, what's that about?

**Mandy:** It's the faceless people further up who have no idea what's going on.

[Focus group A4]

Again, what makes this discourse distinctive is that it is not complaints about individual managers, but that it is abstract and implied as systematic. The Suits were often othered in comparison to those who did actually do work, 'those on the ground', with whom most participants implicitly identified.

Whatever form these discussions took – tragicomic incompetency, general inefficiencies, onerous bureaucracy, or the shift towards Suits – the bigger picture was similar: the implied sources of state indebtedness. Tentatively, it could be suggested that there could be a link between the transformation of governing and organising practices – new public management, modernised governance, and so on, which has

led to a proliferation of consultancies and out-sourced contracting, as well as ‘the Suits’ – and the negative experiences of both users and public service employees as reflected in justificatory practices examined here. In other words, tax is based upon a relatively fragile social contract – but that social contract is going to be stretched when expenditures are not being directed to those who deserve it, but instead towards unnecessary consultants and fancy paperclips. Putting the sources of these experiences aside for one moment, I would suggest that on the basis of this we can identify a legitimacy gap in the experiences of ‘taxpayers’ money’ that the debt crisis speaks to. I return to this in the summary after briefly considering some of the alternative discourses that were apparent.

#### **6.1.5 Other stories**

Participants discussed other, less mundane examples of state profligacy. What distinguishes these from the examples above is that they were not intersubjective in the same way. While the examples above were often ‘confirmed’ by other participants by offering their own anecdotes or explicitly agreeing, these examples were more isolated, more knowingly individual (or even ‘subjective’).

There were three examples in particular, which were selected on the basis that more than one person mentioned them, albeit in an isolated way. First, there was some discussion about the armed forces and the wars in Iraq and Afghanistan. In the words of Damien, ‘I do have a bee in my bonnet about the armed forces’ [Focus group A1], while Rose asked whether the reason the state has no money is because of ‘the war that Tony Blair got us into’ [Focus group B1]. Second, Eric and Rose questioned the decision of Gordon Brown to sell the ‘gold reserve’, again questioning whether this would have made a difference to the state finances [Focus group B1]. Third, there was



some discussion about the role of immigration. Caitlin argued that one source of the fiscal strain is that ‘there is enough people in this country ... we’re full’, to which Michael explained how ‘it’s not a race thing at all ... [but] its just that we’re pushed to the limit in every single way’ [Focus group A4].

There was also some discussion that defended the role of the state in contemporary political life. Defending the state typically occurred in three ways. First, when the bigger normative picture was invoked, which from the albeit limited discussion could suggest that some participants don’t ‘hate’ *the* state, per se, as much as they question the legitimacy of *this* state. For instance:

**Michael:** I don’t know if it’s... I think we need a public sector. I think we need a welfare system.

**Mandy:** I think it’s because it’s what I’ve always known, I can’t imagine it. And I remember years ago, my nan was about 86 then, and she was talking about, y’know she had 6 kids, and she was talking about in the 30s, because we had to pay 2 and 6 to go to the doctor and all this sort of stuff. Y’know, that we have just grown up with and has always been there. So you can’t imagine having to...

**Michael:** You can’t imagine being a similar situation to what they have in America where if you get run over they turn up and ask well do you have any insurance details and you’re like No – and they leave you to die.

[Focus group A4]

Second, there was a conscious attempt by some participants to intervene in the collective process of state shaming by offering counter-stories. For instance, upon hearing anecdotes about the efficiency of the NHS, Damien intervened and pointed out that, ‘from a personal point of view’, ‘the service I’ve got, I’ve always got, has been fantastic ... I would never moan about it’ [Focus group A1]. Third, although the spectre of the public sector worker, especially ‘the Suit’, was usually negative, this often changed when the abstraction was replaced with concrete examples. For instance, a former community officer, whom was made redundant, was ‘so in love

with his job and the area ... he is still a super person, and it was tragic when that funding was cut' [Mary, Focus group B2].

## Summary

**Kyle:** [spending cuts] are justified ... as a means to an end, that is to redress the balance that you [Nicholas] were talking about earlier, about the fact that the public sector has got so big, so wealthy, and so [inaudible]. That I don't know how you stop that, it's a runaway train as far as I can see, and it is painful for the private sector.

[Focus group A2]

In some ways, this section provides the missing link to the Debt Crisis narrative outlined in the previous chapter. Sometimes, as the epigram just above, highlights, the link between state overspending ('a runaway train') is made very explicitly, but most of the time it is implicit – as are most of the examples given in this section. This section can tell us three things about how the participants made sense of austerity, and what this process tells us about legitimacy.

First, it suggests that people generally perhaps do not trust *this* state to allocate resources fairly, which in turn suggests that people may look favourably to fiscal consolidation to lighten their burden. Second, and going further, it means that the crisis of debt (which must be caused by overspending) gives sense to concrete experiences. Experiences in which public money is deemed to have been wasted 'stick' and later help make sense of, and to an extent confirm, stories of state indebtedness and overspending. Third, these anecdotes can be used to excuse and justify the potentially harmful consequences – whatever they may be – of reluctantly accepting spending cuts. If one makes the connection between state indebtedness (and thus overspending) and inefficiency and profligacy, then it gives the sense of something palpable and relatively harmless to be cut.

## 6.2 A fiscal sociology of ‘taxpayers’ money’

**Caitlin:** I think we’ve got too much debt. And the cuts are being made in ... for normal ... normal? [‘The average?’] Yeah the average person. And personally, I think it always hits the middle-income families. Always. Because you’re either up there with your £29m bonus, or you’re down there and you do get help – I’m not saying everyone – but you do get a lot of benefits and help. But if you’re in this middle bit, you don’t quite get your child benefit, you don’t quite get help with your university fees, you don’t get that...

[Focus group A4]

As Chapter 3 outlined, taxation can be experienced through a *moral abstract order*. In the middle of this order lies hard-working normal people, whose taxes go to support the undeserving poor – ‘welfare scroungers’ or ‘chavs’ – but also, in the current political climate, the undeserving rich – bankers and politicians, mostly (see also Prasad *et al.* 2009). This moral abstract order was consistently produced in the focus group discussions. As the section epigraph highlights, the production of this moral abstract order was often used to make wider points about the ‘squeezed middle’ and the unfairness of current fiscal settings. For these reasons, and as the section shows, it matters for the questions of austerity acquiescence at the heart of this thesis.

Within public discourse and secondary literature there is much corroborating support for this notion of an abstract moral order<sup>3</sup>. As recent headlines attest to, the notion that Britain has become a mostly classless society is very common: ‘We’re all middle class now, darling’ (*the Telegraph*, 22/01/10), ‘Official: Everyone is middle class now’ (*Financial Times*, 10/08/10), and ‘All middle class now in this unequal land?’ (*The Independent* 20/03/11). Within academic literature, Ruth Levitas’ (1998) work on New Labour’s social exclusion discourse is illustrative. Levitas argues that New Labour moved away from a view of social exclusion as intertwined with material poverty, and instead towards a view that distinguishes between those who are socially

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<sup>3</sup> Chapter 7 includes a fuller review and elaboration of the history of the undeserving poor.

integrated (mostly in terms of labour market attachment and employment) and those who are excluded as a ‘moral underclass’. This is a topic that is taken up, albeit less directly and in a less academically rigorous manner, in Owen Jones’ (2011) *Chavs*, in which he directly attacks the notion that we are all now (mostly) middle-class (and somehow equal) in contrast to a small feckless and feral underclass. In addition to this, recent events – in particular the global financial crisis, the bank bailouts and MPs expenses – have helped also forge a morally undeserving rich.

### **6.2.1 Undeserving poor**

In April 2013, Mick Philpott was sentenced to life imprisonment for manslaughter after he killed six of his wife’s children in an arson attack. Despite this, he is perhaps rather worryingly more famous as being a symbol of the perpetually re-emerging cultural trope: the ‘welfare scrounger’. This trope engenders one question that is relevant for our purposes: If people are too lazy and feckless to get a job, then why should taxpayer money be used to subsidise their lifestyle? Key to this argument is the idea that the poor are morally corrupt or ‘feral’. This is at the heart of the ‘scrounger’ trope, that those who are impoverished are choosing to live on the generosity of taxpayer money. There could hardly be more at stake: the reasons one attributes to why poor people are poor are logically related to decisions regarding how the problem should be dealt with.

Given this emergence of ‘scroungers’, it is both surprising and interesting to note that the undeserving poor were mentioned roughly as frequently, but with less venom and intensity, than the undeserving rich in the focus group discussions. This could be partly down to the irredeemably social aspect of the method. Other participants did not know that much about their fellow participants and might have wanted to avoid

causing an embarrassment. Every group, bar A3, included someone who was not employed. So there is a chance that the relatively low production of this discourse was down to that most British of traits: a desire to be polite and to not offend others (at least to their face). On the other hand, everyone can join together and round on the morally undeserving rich, safe in the knowledge that no fellow participants were secretly pocketing £27 million bonuses. Indeed, discussions about the morally undeserving poor were often swiftly moved on to discussions about the undeserving rich, whom, it seemed, are still undeserving but perhaps more so due to, as we will see, their culpability in causing the crisis in the first place – a charge that even the rightest of right could not seriously impose upon ‘scroungers’.

Nevertheless, there was some talk about the undeserving poor. This talk was often couched in terms of ‘fairness’, for instance:

**Duncan:** What’s in the news at the moment is quite topical. With David Cameron talking about not paying housing benefit until they’re over 25, because some of the kids are moving out at 17, or thereabouts, leaving their families and claiming off the state, and, y’know, is that fair? Is it fair?

**Nicholas:** It is difficult, isn’t it. You get different circumstances...

[Focus group A2]

The subtext for all these discussions regards what we all ‘contribute’ to society, often, unsurprisingly, about tax: if there are people living off benefits, then ‘we’, the taxpayer, must be paying for it – money that is otherwise, at least abstractly, in our pockets to spend on securing life chances. Importantly, it is often couched in terms of moral judgement. The following excerpt, bringing prisoners and delinquents into the morally undeserving poor category, makes this explicit:

**Rose:** ... I bring up my kids not to do that. Why should they get away with it. When people are doing wrong and blaming the society, then getting away with it. Why do they get a hand? Why is the guilty people who get the goodies, and

the innocent people who get punished all the time? And a bit more took off them? It's not right. If you're in prison, you get free education, free TV, free hair, free everything. You can get a degree in prison! It don't cost you 9 grand! And they'll pay you while you're in there, so you come out with a little bit of money.

[Focus group B1]

Interestingly, on occasions, the entire public sector was brought into the morally undeserving poor category since they are, essentially, the recipients of tax skimmed from money generated in the private sector. As Nicholas put it, 'the ones paying for it are in the real world', before Kyle intervenes to agree and add that the discussion chimes with his understanding of 'fairness' [Focus group A2], a notion that is seen through a moralised fiscal filter.

The moral aspect of being poor and on benefits is somewhat complicated by the perverse (and vague) incentives inherent in the welfare state:

**Caitlin:** There isn't much incentive for people to actually, sort of, get up and get on and feel that it is worthwhile for them really.

[Focus group A4]

However, it becomes clear from the assumptions underpinning more detailed discussions that the perverse incentives of the welfare state do not excuse the undeserving receipt of 'our money':

**Rose:** You've got to have a bit of incentive. It's no good ... it's a shame, because it's the middle people who do out go and get the work, and I'm not saying that people are unemployed because they want to be, but what I'm saying is that there is a big sector of people who are in the middle – like I was a single-parent once, working. I was worse off than some single parents, not working. So where is my incentive? And then you've got families where it's my husband is working but I'm not at the moment. We struggle.

[Focus group B1]

**Michael:** But you do get this stereotype, and you think well ... if they can get more money sitting on their backsides on welfare or whatever they get, then you can't blame them, but they haven't got that inbuilt is it ... pride? That you have to go and work for a living – do anything, rather than be on the dole...

[Focus group A4]

The subtext to comments such as this is that the incentives are an important contributory factor to the imagined life on benefits, but that people of the correct moral fibre have the personal strength, will power and dignity to avoid it.

This discourse was, of course, contested. An alternative reading involved discussions regarding ‘structural’ impediments to work, such as employment, which occasionally led to reappraisals of the moral character of the unemployed. For instance:

**Lynn:** [inaudible] There’s no work, the jobs, and especially with working with [inaudible] in the area, you find that ...

**Rose:** There’s nothing around.

**Lynn:** There’s this perception of young people that they’re lazy and they don’t actually want to go to work so they’re on benefits, but actually, through my role in my job and through meeting people around you see that there are a lot of good kids out there who do actually want to work and there is just nothing out there.

[Focus group B1]

**Caitlin:** Problem is that there is no jobs. The government are on the one hand saying oh we’re going to cut benefits and you’ve got to get a job, and on the other there are no jobs! So...

[Focus group A4]

Whether these stereotypes are representative of the reality of poverty is an otherwise important concern. However, for purposes here it is enough to merely point out how this abstract order, complete with the undeserving poor, *is* experienced as that, and that is what matters *analytically*. Nevertheless, it was the *undeserving rich* – in particular bankers and politicians – that was most intensely discussed in the focus groups.

## 6.2.2 Undeserving rich

In general, there was some limited discussion about the unfairness of the rich escaping taxation through using clever and expensive accountancy to exploit legal loopholes, again often contrasting a small mega-rich group with an average hardworking taxpaying 99% who do not deserve to have their money taken away to reduce the fiscal deficit. The following excerpt, although lengthy, is very illustrative of these concerns:

**Kyle:** And yeah, that's what the government suddenly thought, well, the best [inaudible] in the world, we already pay so much bloody tax in this country as a whole anyway, I don't know how much more you can squeeze out of people with taxes. So you've got to make cuts somehow. Y'know, but you almost feel sorry for Jimmy Carr<sup>4</sup>, in the sense that if he was paying what he should have been paying then he would have had a lot more money.

**Nicholas:** There's been a couple of comments that I've noted that, on Jimmy Carr should pay for his own personal health, but he still drives down the road, he still uses the street lights, which everybody else is paying for. But somehow, these people don't seem to think that – 'why should I pay for that?!' But they should do, shouldn't they? They should pay their fair share. Like everyone else does.

**Kyle:** Oh yes, I agree, they should pay their share. But I also see the other side, and think he earns, what is it...3 million? If he earns 3 million in a year, then even if he does pay say, 1% tax, 1% of 3 million is a lot more money than everyone else pays to drive down that road and to use those streetlights and that dustbin, isn't it? So this is why I kind of think that when there's this stuff about making the economy fairer, it is difficult to say what is fair – but you can turn around and say 'why should Jimmy Carr pay 300,000 pounds a year to drive down the road, when you and me pay £10,000 a year to drive down the same road?' So you can see where he's coming from. But at the end of the day you can only squeeze so much money out of people. That's the same across all levels, and that's why the cuts.

**Nicholas:** But it seems like it's the middle ground that's being squeezed. It's the softest, easiest target.

**Kyle:** Well yeah because the Jimmy Carr's and the clever accountants will ... well they'll either vote with their feet and go else where – which is the big

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<sup>4</sup> Jimmy Carr is a well-known comedian and entertainer who, in June 2012 (i.e. around the time of fieldwork), was forced to publicly apologise after using the (perfectly legal) 'K2' tax avoidance scheme.



danger because if you tax them too much they will do that, and when I say elsewhere, they won't go far, they might just go to the Channel islands.

[Focus group A2]

But there were also specific discussions about two groups of undeserving rich in particular – bankers and politicians – who were often mentioned together. What makes these two groups particularly noteworthy is what they share: they are both perceived as culpable for the crisis, they are both seen to be well-off and living in a separate world, and, most importantly, they have unjustly received taxpayers' money. These three themes – crisis culpability, otherworldliness, receiving 'our' money – will now be looked at in turn.

As briefly looked at in the last chapter, 'politicians', mostly as a homogenous group, were sometimes blamed for the crisis:

**Damien:** And I think that the responsibility have still not been assigned to the people who caused this. But then I would go into the political area, and, I'm not usually political, but from whatever political background people have come from, I think, the politicians have to take a big responsibility for not taking ... for not foreseeing the possibilities of the collapse.

[Focus group A1]

Equally, bankers were often blamed too:

**Jerry:** And now, who's supposed to pay them back for that lack of judgement? Because they've all made big bonuses at the time by giving the guy with the temporary job the big mortgage?

[Focus group A1]

**Nicholas:** That, given the way you ask the question ['who or what is to blame?'], who do we blame for it [...] forgive me [Duncan, who works for a bank], but I think the level you possibly point at is the banks.

[...]

**Kyle:** But to answer your question, [Nicholas] is probably right, the banks ... as an industry – as a global industry, on the American side of it, as I understand it – lent too much money to people that they're not really going to get the money back from.

[Focus group A2]

The A2 group, it should be noted, defended both the morality of bankers and their role in the crisis. This was most likely because one participant worked for a bank, but, as the excerpt above highlights, participants were still willing to blame bankers.

Interestingly, part of the othering process was spatial, in the sense that both bankers and politicians were often depicted as living in a different world. The most obvious example of this was a discussion about a moral vacuum among elites (discussed later) in which Maureen [Focus group A1] agreed, adding that ‘I think they’re flying round the world [inaudible] ... I don’t think they live in the same world as us’. However, most of the time this otherworldliness had specific features depending on whether bankers or politicians were the topic. In regards to politicians, there were well-rehearsed utterances about the glut of career politicians and how ‘there’s just no connection to the electorate, at all’ [Michael, Focus group A4]. Nicholas [Focus group A2] mentioned seeing his local MP in a shop and ‘he was expecting everyone to just bound to him’. Similarly, this otherworldliness sometimes had an element of unfairness, with Rose [Focus group B1], for instance, claiming in regard to the expenses scandal, ‘It’s like one rule for them, and one rule for us. Y’know, you can’t cheat the benefits system but we’ll claim every benefit going and cheat it ourselves’. Banking, meanwhile, was perceived as otherworldly, but for different reasons. Most simply, the idea of earning a £27m bonus is ‘disgraceful’ [Caitlin, Focus group A4], but more complex were the changes to the finance industry itself. Some comments on the changing nature of banking: how it has ‘gone away from the community’ [Kyle, Focus group A2] and towards ‘being all global’ [Rachel, Focus group A3]. This is important: a sense of otherworldliness and unimaginability is a crucial lubricant in the

wheels of othering (Blumer 1958). It gave the sense that they were distant and living in a different world, in a ‘bubble’ perhaps [Linda, Focus group B1].

However, probably the most important theme is the last one: the receipt of redistribution public goods, which itself is deeply imbued within two central ‘events’, MPs’ expenses and the bank bailouts. MPs’ expenses scandal, unsurprisingly, was at the forefront of discussions regarding politics. Unsurprisingly, again, politicians were heavily criticised from a moral perspective:

**Michael:** But you just think, Christ. How can these people be allowed... I think ever since the whole expenses scandal there’s been a massive backlash and there still is ... Ridiculous. Imagine fleecing the people who put you in power.

[Focus group A4]

It was often explicitly discussed in terms of tax, with Eric [Focus group B1] asking ‘why we can’t go back and claim the money from all the MPs’ and Rose [Focus group B1] comparing the expenses scandals to those who cheat the benefits system – which really emphasises the moral abstract order. However, the experience of this event was often applied to other areas, such as MEPs and high profile public servants:

**Rose:** ... and the Euro MPs – huh! – they’re just absolute jokers, the money they claim – ridiculous. You wouldn’t believe it, honestly, they’re getting money for everything. Lightbulbs. I mean, get a grip! You’re on god-knows-how-many grand a year and as a pay, how have you even got the nerve to claim off the people you’re supposed to be supporting and looking after for a bloody light bulb!

[Focus group B1]

**Sarah:** I must admit I’m not ... it didn’t sit very well with me, finding out that our ... head of the council has had a pay rise, and all the officers of the council have had pay rises ...

**Lucy:** Well that seems to be what happens. It’s the big boys.

**Sarah:** 20 thousand pounds it was! [inaudible] He’s on a 140 thousand odd pounds per year.

**Lucy:** And they get bonuses for making people redundant don't they.

[Focus group A3]

Bank bailouts are the key 'event' for fiscally othering bankers. The following excerpt highlights this, in particular how a small minority of undeserving rich people have benefitted from the perverse redistribution of income from the middle:

**Jerry:** ...nothing quite gets me as angry about thinking about just how lightly the sort of top 5% have actually got off so far in this, with this recession. I ... y'know ... it's such a cliché, but you also feel like saying, it just has to be true, about how, y'know, bankers have moved to protect themselves and we've all paid for it. The whole financial sector, y'know, it's terrifically ... it makes me angry, and feel powerless as well.

[Focus group A1]

Sometimes these discussions explicitly linked bank bailouts, 'taxpayers' money', and the 'event' of the Debt Crisis (the discussion was preceded by questioning why the UK has so much debt) discussed in the previous chapter:

**Kyle:** ...with Northern Rock you had people queuing outside of Northern Rock, we took a slightly different view and we sort of spent all of our money on it [laughter].

**Nicholas:** And they're still doing so.

[Focus group A2]

One of the unforeseen ramifications of the bank bailouts is a politicisation of the financial industry, including, most notably, bonuses – which can be in excess of tens of millions of pounds for individual employees. The bank bailouts imbued an otherwise private, financial matter with issues regarding public authority and 'taxpayers' money':

**Caitlin:** But I think it's banker bonuses that are the biggest... well everyone would say what is going on? It's the guy at Barclays is it, who turned down his £29m bonus. I just cannot believe anybody is worth £29m bonus. There's no one on this planet who's worth that.

**Michael:** I think that's what has got everybody's goat.

**Caitlin:** Nobody's salary should even be that, then their bonus. But y'know, I don't know what his salary is, but I think it's absolutely disgraceful.

**Michael:** Yeah.

**Caitlin:** And I can't understand why they're allowed to do it. Allowed to get away with it.

**Michael:** Well, as you say, why do they even need a salary that high? Why do you need a bonus that high? Ridiculous.

**Caitlin:** So I think yeah, the government should just go in and knock 'em on the head and say no – this is all finished.

[Focus group A4]

The foundation for this discussion would be unthinkable ('get away with it', government should intervene), I would suggest, before the crisis. The bank bailouts, precisely because they use 'our' money, have suddenly made the financial sector, as an abstract whole, accountable, in some fuzzy way, to taxpayers. However, it should also be noted that on some occasions participants told others how they believe bank bailouts were a necessary move to shore up the economy [e.g. Lynn, Focus group B1].

When these three themes – culpability, otherworldliness, 'our' money – are brought together, a certain story emerges: of a moral vacuum, where elites are failing to set an example:

**Damien:** I think there's a moral, sort of, vacuum at the top. As to how to resolve that, I don't have an answer to that. But I do think that the politicians and bankers must suffer from a guilt complex of some kind, because ...

**Jerry:** I wish!

[...]

**Damien:** Less of a heart of this problem [inaudible] in my humble opinion, but bankers who are grossly overpaid, politicians who are grossly overpaid, many people, as you've indicated, at the City of Birmingham are grossly overpaid ... They have, this has to be addressed. I think ... I don't know the answers, but it could make a big difference if people acted in a more moral fashion.

[Focus group A1]

### 6.2.3 The taxpayer

The ‘us’ to the undeserving, non-contributing, morally questionable, tax receiving ‘them’ is ‘the taxpayer’. To quote Rose [Focus group B1, emphasis added], ‘*We* pay the highest taxes in the world. Why haven’t *we* got any money left?’ This sense of group position – a huge mass of hard-working taxpayers, contrasted against a free-riding super-rich and scrounger – leads to a particular tax resistant mood: The bottom cannot pay, the top find loopholes; the middle thus over-contributes, while seemingly receiving less ‘bang for their buck’, as it were:

**Kyle:** But it is true though, isn’t it? You can only squeeze out Middle England so much, because they’re the ones who are paying it. ‘Cos the bottom don’t pay it, and the top... find ...

**Linda:** ...clever ways round it.

[Focus group A2]

But before exploring this fully, a quick note about the characteristics of this group position is required.

Identity formation is normally constituted in opposition to an ‘other’. The sense of a morally undeserving rich, in this case, provides the basis for an opposition hardworking ‘us’:

**Michael:** It’s hard, sometimes, but other times, it’s absolutely simple. They [politicians] just... deserve everything they get really. And I think that [MPs’ expenses] probably has a bigger impact upon anything we’ve seen in society recently. There’s a two-tier system, those that have, and those that work hard. Maybe.

[Focus group A4]

Michael returns to this theme of ‘haves and have-nots’ in making a more explicitly relevant point about how the ‘middle’ are being squeezed because ‘we’ are the ones who are morally sound:

**Michael:** I think you hit the nail on the head – it's the middle ground that are squeezed. And those people – us, maybe – fit into the middle ground. Who will take the time to do that, who will do what we're told, because we respect authority and we think if we don't fill these forms in something bad will happen. But there are people out there who don't, and they exploit the system completely, and I think there's very much this society has changed a little bit.

[Focus group A4]

In both the previous and the following excerpt, it is interesting to note that when this abstract order was discussed, participants were keen to include the other participants in the 'us':

**Nicholas:** But I think that ... when people introduced themselves, and [Kyle], you're self-employed, I'm self-employed, [Duncan], you obviously get up and go out for a living – I sell used cars. I used to sell expensive motor cars...

[Focus group A2]

Nicholas then goes on to outline how through graft and craft he realigned his business model to changing market conditions to ensure he still made money. The point of this anecdote was to highlight how it was these people – '60 million people living in this country, and every morning they get up: They've got to eat; they've got to buy clothes; they go to work; and they're all spending money', i.e. the hardworking taxpayer – are the ones being 'squeezed'. It is notable how broad this abstract group of people are, and also how Nicholas was keen to emphasise that all participants in that group were members – suggesting that it may be an insult otherwise.

The notion of a middle mass being 'squeezed' in these hard times is crucial. This sense can only be understood relationally: the middle is not sufficiently rewarded for contributing to society and essentially supporting others; it is all 'take, take, take' [Caitlin, Focus group A4]:

**Caitlin:** And you do get a bit resentful. I'm standing out here in the cold selling all this, and all my income tax is just going to someone who doesn't want to work, someone who is just sitting at home and going off on a holiday

to Mallorca for 2 weeks. And I've stood out in the cold funding their holiday in the sun. And you do sort of get a bit...

**Michael:** And they think it's their right, rather than the...

**Caitlin:** But perhaps there is no incentive for them to get up and ... do ... as you say, it's easier to do that, and if you're of that way then...

[Focus group A4]

However, the most explicit expression of this sense of group position in an explicitly fiscal sense is from Kyle:

**Kyle:** ... and so you can't get it [tax to finance the fiscal deficit] off these guys because they [inaudible] or they'll find a way of being in the Channel islands or wherever it might be, and you're not going to get it off the people at the bottom, because we don't ask for it half the time but we're certainly not going to get it from the bottom end, so it is Middle England who are having to pay more and more. And everybody, most British people, aspire to be moving up and up and up, the aspiration is that you get up there and then you're back down here again, and you're back up there and the next thing you know you're back down. How do you do it? And we all struggle with that I think.

[Focus group A2]

This sense of group position is an important aspect of austerity acquiescence and the perceived necessity of spending cuts. This is because alternative solutions to fiscal deficit reduction – i.e. increased taxation – are seen as primarily not just a further limit on the ability for individuals to make autonomous decisions about their finances, but something beyond that: it would be fundamentally unfair and morally questionable to continue the current experience of perverse fiscal redistribution from the hard-working mass to the few super-rich and scrounger rotten eggs at the expense of the 'squeezed middle'. As a side note, however, the moral abstract order did not always directly lead to complete tax resistance. In this instance, it led to an argument that the deficit should be made up by taxing big corporations who do not make a fair fiscal contribution:



**Lucy:** And I think the money should be found – tried to be found – from elsewhere. And I don't think it should be found by taxing – obviously I don't think it should be found by taxing people like me – [inaudible] [...] there are bigger targets to aim at.

[Focus group A3]

However, despite this variation – ‘tax the mega-rich’ – both the group position and the related austerity acquiescence are both still produced.

### **Summary**

Participants consistently reproduced a moral abstract order and a sense of group position when talking about tax<sup>5</sup>. A morally undeserving ‘them’, the rich and poor at either end of the spectrum who get an easy fiscal ride, was constituted against a hardworking taxpaying majority. This is the power of the moral abstract order: almost everyone, I would suggest, identifies as hardworking and taxpaying and thus with the 99% – probably even bonus-laden bankers and ‘scroungers’. The strength of the group position comes from the fact that it is *moral*, not socioeconomic, meaning that most people identify as in the group and not out of it. It is vehemently inclusive. Indeed, there do not seem to be many people who self-identify as either ‘scroungers’ or as bankers whose millions are self-understood as easy to make and state subsidised – which is exactly the point. This moral abstract order matters for primarily two reasons.

First, when this group position and abstract order are produced, people are likely to be far more resistant to taxation, because it suggests that they – both the individual person, and the wider 99% taxpayer group – will be unfairly contributing more than

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<sup>5</sup> Alternative moral orders to the undeserving rich and poor included a distinction between public and private (e.g. the private sector, 50% of the country, provides all the wealth for the others) and England and Scotland (e.g. over the different higher education tuition fee regimes). But neither order was hailed as consistently to the morally undeserving mood studied in detail here.

others. To put it succinctly: the bottom scrounges, the top are in a different world with power and loopholes, while the middle actually contribute. To fund deficit reduction from the pockets of this abstract middle 99% would create a legitimacy gap of its own: it would run against how many people believe the economy both does work and should work. On the basis of this tax talk, I would follow Kidder and Martin (2012) and argue that this tax resistance is not about merely maximising wealth or about blindly following a right-wing ideology – but about morality and fairness.

Second, when this group position and abstract order are produced, a legitimacy gap in regard to the allocation of public money exists between what is delivered and what is deemed fair. Simply put, if one believes that ‘taxpayers’ money’ is being used to support the undeserving, then one will question the legitimacy of contributing towards that. As this thesis has consistently argued, the politics of taxing and spending is what lies at the heart of the politics of austerity acquiescence. If a legitimacy gap between what is expected and what is perceived as being delivered (i.e. support for the morally underserving) can be identified, then it should perhaps come as little surprise that the British public, as a whole, are generally acquiescent to a state strategy that seeks to trim back the state and thus lessen the burden of taxation. The everyday maintenance of this moral abstract order – banker bashing, politician hating, scrounger slurring – is crucial in the production of this legitimacy gap.

## **Concluding remarks**

The state is at the very least partially dependent upon funding itself through raising taxation from citizens. Indeed, ‘over the long run it constitutes the largest intervention of governments into their subjects’ private life’ (Tilly 2009: xiii). That this intervention, and extraction, is based not upon a direct exchange for a service, but

instead a rather fuzzy obligation to contribute to the state and other citizens (Martin *et al.* 2009b: 3), means that ensuring the legitimacy of this rather informal contract is crucial to the states' existence, even in good times. If a debt crisis occurs at a time when there is a mood of questioning the fairness of the specific aspects and general character of this obligation, then raising taxation to fund deficit reduction will not be legitimate and thus not politically viable. Austerity was almost framed as a case of the squeezed middle striking back against the unfair distribution of 'taxpayers' money', to restore parity. But whether this promise is to be fulfilled is unlikely, since quite a few participants also discussed how it is perversely this very squeezed middle that must take the pain.

In this chapter, the focus has been on how people interact with the state – but specifically from a fiscal lens – and how a mood that emanates from these shared experiences is relevant to the political analysis of fiscal consolidation. The argument unfolds in three parts. First, there was a *mood* in which a specific manifestation of 'taxpayers' money' was deemed and experienced to be unfairly diverted towards unnecessary state profligacy and supporting the morally undeserving. Second, this mood highlights a *gap*, between expectations and experience of public finance, which the Debt Crisis narrative gave sense to and 'spoke to', as it were. Third, this gap helps explain austerity *acquiescence*. If one believes that 'taxpayers' money' is supporting a) profligacy and b) morally undeserving groups, then one will question the legitimacy of contributing further 'taxpayers' money' to reduce the deficit and be inclined towards accepting the inevitability of spending cuts in the context of an accepted Debt Crisis.

This argument leads to a number of implications about austerity acquiescence. First, it indicates that a large, but otherwise somewhat analytically neglected, element of the

politics of austerity is taxation, and that slow-burning fiscal legitimacy gaps play a role alongside fast-burning crisis narratives in understanding acquiescence to the necessity of spending cuts. Second, this chapter has shown how the ‘interests’ of the participants, a possible explanation underpinning the first implication, were not merely given but interpreted in light of a sense of being a ‘taxpayer’, which is itself constituted in relation to an abstract picture of where they stand in a moral order. Third, it highlights how the Debt Crisis narrative explored in the previous chapter resonated with real experiences of ‘taxpayers’ money’ by speaking to existing fiscal legitimacy gaps. Crucially, the experience of state profligacy and the moral abstract order play an important part in the everyday production of the Debt Crisis narrative by providing a simplistic and experiential story to account for the existence of the state debt and/or deficit in the first place. The implications of this, as well as the exploration of wider analytical issues, are the topic of the next chapter.

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## **Chapter 7. Acquiescing to austerity: The moral crisis and the household analogy**

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How have the British public reluctantly accepted the necessity of fiscal consolidation? This was the puzzle posed at the beginning of this thesis, which was translated into a specific two-pronged research question: how do everyday actors make sense of austerity, and what do these processes tell us about the legitimation of austerity and the wider politics of crisis? Chapter 1 showed that crisis is perhaps *the* central concept in making sense of the politics of austerity. Speaking of crisis is a powerful incitement for legitimating radical political change. Chapter 2 argued that in order to answer the puzzle, we would need to conceptualise crisis as constituted through enactment to avoid an otherwise never-ending search for the true cause of the deterioration of public finances. Crises may then be elite-driven in a sense, but the narratives upon which decisive interventions are made necessary still require legitimation through resonating with the mood of the times. Chapter 3 outlined how the mood of the times can be disaggregated into a three-part ideal-typical analytical framework and argued that focus groups are the most appropriate method for study. Chapters 4, 5 and 6 put

this into practice, showing what we talk about when we talk about austerity. It was argued that austerity makes sense to people in regards to: the relative continuity of normal expectations in the public life of the downturn; the popular wisdom and experiences people use when making sense of the debt crisis; and the seemingly unfair redistribution of taxpayer money to wasted public projects and to the undeserving. Together, these elements meant that austerity could be justified by shared belief, conferring a degree of legitimacy. The debt crisis resonated with the mood of the times.

The aim of this chapter is two-fold: it synthesises the argument of the thesis so far while simultaneously seeking to push this analysis further and beyond the focus group data itself. The research questions outlined in the Introduction were: how do everyday actors make sense of austerity, and what do these processes tell us about the legitimisation of austerity and the wider politics of crisis? If the previous three empirical chapters have specifically spoken to the former of these two questions, then this chapter speaks to the latter. It starts by recapping how the justifications and narratives seen in the focus group discussions conferred a degree of legitimacy to the coalition economic strategy. It then suggests that the sources of these justifications lie in long-standing norms and conventions; so to better understand the process of austerity acquiescence, we must begin the inevitably incomplete and partial process of historicising these sources and exploring their political implications. I focus, in the second and third sections respectively, on two such sources: the household analogy, and the taxpayer as a sense of group position. The second section offers a brief history of how households should live within their means, highlighting how the stories of both state and household are intimately intertwined. The third section briefly historicises the fiscal relations between the taxpayer and the undeserving poor with

special attention on the welfare reforms of New Labour, before going on to explore the political implications of these relations. Ultimately, it is argued that crisis is indeed a central concept for understanding the politics of austerity. But rather than a financial, growth or fiscal crisis, the age of austerity has been primarily experienced and justified as a *moral crisis* in which a return to living within means (for both state and household) can help restore fairness.

## **7.1 Cooling out the marks?**

In questioning why there has been such little popular mobilisation and resistance against neo-liberalism during the crisis, Jason Glynos and his co-authors (2012) argue that the perverse ‘enjoyment’ derived from scapegoating individual bankers in effect depoliticised the financial crisis. While there were ‘shrill expressions of public dismay, anger and complaint abound, especially in relation to ‘greedy bankers’ ... [this rarely] translated into organized mass demonstrations and sustained political demands’ (2012: 297). They place this argument into a pithy frame: how the ‘marks’ – in this case UK citizens – have been pacified, taken in, or ‘cooled out’ (hence their title: ‘Cooling out the marks’). ‘The mark’ is a term derived from pickpockets and other street criminals, who would place, quite literally, a chalk mark on the shoulder of an unsuspecting target to suggest an easy theft for their accomplices. Consequently, it has now become a colloquial term for a person who is easily deceived or taken advantage of. As Glynos *et al.* put it (quoting Erving Goffman), ‘the mark is the sucker – the person who is taken in’ (Glynos *et al.* 2012: 300). The vitriol directed at vilifying individual bankers when anger should have more usefully directed at the system suggests, to borrow the parlance, that some suckers have been taken in.

Although I am sensitive to the clear fact that the methodology and methods chosen by researchers shapes the way in which the public are understood, I seek here to distance this thesis from such a view. This view is relatively widespread in social science, whereby the ‘mass citizenry appear as dolts’ (Gamson 1992: 4). The main argument of Gamson’s study, one he clearly felt was worth strong and central prominence, is that ‘people are not so passive, people are not so dumb’ (1992: 4). As he explains in his concluding remarks:

I hope this book has been an antidote to the conventional wisdom that most political issues and events do not make much sense to most working people. Listening to their conversations over a period of an hour or more, one is struck by the deliberative quality of their construction of meaning about these complex issues. And they achieve considerable coherence in spite of a great many handicaps, some flowing from limitations in the media discourse that they find available and others from their own lack of experiences with that task (1992: 175).

Following the focus group research upon which this thesis is built, I have found little reason to disagree.

There were clear differences between the middle-income homeowners and the community volunteers who were interviewed for this project. The A groups knew more about formal elite politics, and were more aware of the official narratives – which they often resisted – and some even spoke of challenging capitalism. The B groups were less aware of official discourses, but unsurprisingly had a much better grasp and understanding of their local communities and the localised impact of the recession. Perhaps as a result of this, the A groups produced more ‘data’ to analyse through producing many discussions on the politics of austerity and crisis intercepted with extended monologues, while the B groups were more likely to discuss issues that were more firmly related to their communities. While there were quite a few instances of long monologues or sustained conversations about (for example) the nature of the



fiscal deficit in the A groups, the B groups may only spend two minutes discussing that same topic. The size of the groups also clearly had an impact, with bigger groups not as conducive to detailed discussion. So while both groups did produce forms of acquiescence to the imperatives of the debt crisis, the attempted explanation and historicisation of this will inevitably slightly bias the A groups since they produced more detailed data to analyse.

Nevertheless, both groups drew on similar and shared resources – debt as an obligation, experiences of wasted public money, and so on – in justifying and acquiescing to austerity. To expand upon this, recall Campbell’s typology of ideas reviewed in Chapter 2. Campbell makes the distinction between foregrounded ‘frames’ (‘symbols and concepts that help policy makers to legitimise policy solutions to the public’) and the backgrounded ‘public sentiment’ (‘public assumptions that constrain the normative range of legitimate solutions available to policy makers’) (1998: 385). This thesis has so far, to put it in the simplest of terms, shown how the frames (or, narratives) of austerity resonated with the public sentiment (or, the mood of the times). More specifically, because the spending cuts could be justified by shared beliefs a degree of legitimacy was conferred onto the Coalition’s economic strategy. This process requires unpacking, along the lines of the disaggregated mood of the times framework set out in Chapter 3.

Chapter 4 surveyed the public life of crisis. It argued that relatively speaking – and especially in comparison to the mythologies of the Great Depression and the Winter of Discontent – relatively little about public life was ‘up’. There was little breakdown in the routine and mundane fabric of social existence that could be said to be symptomatic of a failure of the overarching organising principles of the economy. More specifically, these experiences involved: an abstracted crisis in which privation

was considered largely a private trouble rather than a public issue; no critical events that were symptomatic of a breakdown in the order of things; local level contestation over the distribution of resources and need for further community resilience (mainly B group); a ‘restaurants are full’ trope that suggests despite some suffering many people are continuing to consume and live life as normal (mainly A group). This sense that normal consumption has continued is strengthened by the increasing vilification of those in poverty (see Chapter 6, and below). For the A groups, this latter sense was very strong; there was a feeling that despite some private troubles that normal life was uninterrupted – but that those worse off would be suffering. For the B groups, there was a definite sense that spending cuts are and would continue to make their lives worse, but that the best way to deal with that was through strategies of community resilience. This relatively mundane experience helped foster a mood of acquiescence.

Everyday sense-making provided the focus of Chapter 5. All focus group discussions identified ‘debt’ (sometimes among other things) as the problem or crisis facing the UK. Just like the Conservative rhetoric (see Chapter 2), debt was sufficiently flexible a term to sometimes unambiguously incorporate both households and the state into this problem definition. As such, it was often argued that the state should cut back and live within its means. Participants often drew on popular wisdom about how one must pay one’s debts as an obligation, or on experiences about the pre-crisis consumer credit boom to make sense of the fiscal deficit. In other words, participants often extrapolated from everyday knowledge to make sense of the state level in a way consistent with how some observers might expect the household analogy to work. Furthermore, there was a sense that we should go back to living within our means like

the UK used to in an ambiguous past. Consequently, spending cuts were justified as a logical extension of this sense-making process.

Chapter 6 showed how the focus group participants contested the distribution of public money as unfair. This came out in mainly two ways. First, participants consistently used anecdotes to highlight personal experiences in which the state has been profligate and wasted public money. The participants invoked stories of how parents would sell the laptops their children received for free, or how the streets were being unnecessarily repaved. Second, participants consistently reproduced a sense of group position in which a ‘striving’ taxpayer was contrasted against a ‘shirker’ rich and poor – both of whom had received unfair distribution of taxpayer money (through bank bailouts, MPs’ expenses, or through welfare benefits). Although some did – and we could guess that many more would – support the welfare state in principle, these two processes nevertheless suggested a legitimacy gap between the expectations and actual experiences of the ‘taxpayers’ money’. In other words, people expect that tax should favour the (hard-working, tax-paying) ‘squeezed middle’ instead of being wasted on unnecessary work or objects and being redistributed to those who do not deserve it. Crucially, this meant that a promise to cut back spending through efficiency savings and welfare retrenchment was experienced as an implicit promise to restore the balance in favour of the taxpayer and thus, in a sense, restore a sense of fairness. This meant that austerity could be justified via shared belief, thus conferring a degree of legitimacy.

We can synthesise these three elements into an ideal-type everyday narrative of austerity: both states and households lived excessively. Households became indebted through being increasingly networked within global finance; ‘you could have as many [credit cards] as you like [...] I don’t think it’s like that anymore – every day you’d

get offered one [...] Don't think you get that like you used if you think about it' [Caitlin, focus group A4]. States built up debt through wasteful spending; 'we should have a special mention for our politicians too. Because they were doing the same thing, borrowing money they couldn't afford to pay back' [Nicholas, focus group A2]. Since the experiences of crisis were relatively mundane, it represents a good time to restore the balance. The result is that 'austerity' is seen as a society-wide phenomenon, invoking both state and household to live within means after pre-crisis credit fuelled excesses. Cutting back public spending (through efficiency savings and welfare retrenchment) thus implicitly promises to make the life of the taxpayer fairer; 'cutting back' and living within means as a more general mindset, meanwhile, promises to escape the guilty excesses of the recent past by rediscovering the moral code of thrift and prudence.

Crisis is central to understanding this acquiescence. As pointed out many times already, crisis invokes many things, including the sense that something is reaching a critical turning point in which an ending is nigh. Crisis, then, is a process of limbo, in which *something* seems fallible to complete and systematic collapse unless a decisive intervention is made. In Chapter 1, I reviewed the different crises identified by academics in explaining austerity. Proponents of the financial crisis thesis argue that through bank bailouts the buck was passed on to the state – an unlucky guarantor that deserved little ill fate, but which is now being blamed for debts that were accumulated for reasons far from being profligate. It is the tempestuous rise of finance, then, that has come to crisis point. The growth crisis thesis argues that the UK's privatised Keynesian economic regime in which a politically sustained housing bubble drove growth has come to a potential end. The fiscal crisis thesis, meanwhile, argues that conditions of easy credit and low tax that displaced the inherent tensions in

democratic capitalism have reached a turning point. The capitalist crisis thesis identifies public debt and deficits as the latest symptom of a tendency for the rate of profit to fall. Finally, some have identified a social crisis in which ‘Broken Britain’ is fuelled by a breakdown of both societal and individual responsibility. The large fiscal deficit, then, is considered an excellent opportunity to restructure the state to remedy this. The phenomena identified in these theses may or may not be coming to an end. The point is that they do not necessarily reflect the implicit crisis identification contained within this ideal-type narrative of austerity.

Although no one explicitly stated it as so, the everyday narrative of austerity outlined just above contains an element of something ending, of something at the crossroads in need of change to continue. They may not have directly spoken of it, but they nevertheless invoked the idea of a crisis. That is, a *crisis of morality*, which, from bankers who lent too much money to make money to those who used these new facilities to remortgage in order to finance good living, has inflicted society as a whole. It was a crisis that involved the state as well as individual politicians (most notably through the MPs’ expenses scandal). Taken together, there was a sense that things were too easy, with undeserved luxury a too frequent occurrence. The absence of hard work removes an important incentive, and as a result people can become corrupted and irresponsible in a manner similar to the social crisis thesis outlined in Chapter 1. Those who have it easy with no hard work are considered as an affront to the dignity of those who identify as work-hard ‘strivers’ (which, as Chapter 6 argued, is virtually everyone). As Nicholas [Focus group A2] put it, ‘everything was done on finance. It was finance up to your eyeballs ... The whole thing just exploded from nothing really, we’re just reaping what we sowed before and everyone benefitted ... It was all false’. This, in the experience of many, is no way for an economy to work; (to

invoke the beginning of Chapter 3) the economy *ought* to work in a different, fairer way.

The age of austerity is to an extent predicated on restoring a certain level of parity in response to this sense of a moral crisis. Spending cuts are thus conceivably something that can potentially make life *fairer* through restoring some sort of parity – both in terms of the state redistribution of resources and in terms of realising life-chances. For if fiscal consolidation can be justified by these shared beliefs and norms, then the next question is to ask what the sources of these social phenomena are. Unpacking this requires some additional work. More specifically, we need to historicise and understand it. Doing so requires both expanding upon and seeking to go beyond the focus group data itself, to a more analytical perspective. Since there is limited space for this exercise, it will undoubtedly be incomplete, but still one that is worthwhile for the light it sheds on the problem in question. The remainder of this chapter, then, is dedicated to expanding upon two elements of the moral crisis narrative that are the most prescient. First, if the state should live within its means like a responsible household, then we need to ask how a responsible household *ought* to work. Second, I explore the political implications for the abstract moral order outlined in Chapter 6. One of the central points is that rather than the marks or suckers being ‘cooled’ through narratives imposed by elites, a central source of austerity acquiescence is the development of this moral crisis in everyday life as evident in these histories.

## **7.2 Unpacking the household analogy**

As Chapter 2 and 5 covered, the household analogy is one the central justifications for austerity. This was taken to a logical extreme by Conservative MP Caroline Spelman who claimed that ‘thrift’ is an appropriate economic policy for both the state and

households: ‘let’s call it thrift then because thrift is a virtue and thrift needs to be part of the solution to our nation’s problems [...] thrift is living within your means’ (quote from Jensen 2012: 22). Focus group participants made similar justifications.

This continued invocation of the household clearly works, in part, in a cognitive fashion. As already discussed, the household analogy is essentially fallacious because it misrepresents the functions and capacities of the state to make alternatives to austerity seem both unfeasible and undesirable. It is almost as if the mass public has adopted the incorrect cognitive schemas, thus producing a naïve or folk understanding of economics (e.g. Caplan 2001, 2002, Rubin 2003). The use of the household analogy also reflects how non-experts make sense of abstract and far-away issues. For example, Gamson shows how people draw analogies to everyday experiences of conflicts (e.g. between siblings, spouses or neighbours) when making sense of the Arab-Israeli conflict (Gamson 1992: 158). This led to the justification of particular actions, such as that outsiders should remain above the battle and not take sides in a conflict that clearly has its own specific dynamic (Gamson 1992: 158). It is these ways – cognitive and sense-making – in which I too have mostly discussed the household analogy thus far.

This cognitive or sense-making perspective is useful but also limited. Recall Chapter 5, in which it was argued that debt is not merely an impersonal financial instrument but a social relation built upon assumptions of how one ought to properly act. And also recall that the household analogy is used almost exclusively when justifying an austere response to over-indebtedness. Indeed, when we consider debt as a social relation, a more *coherent* moral narrative begins to emerge. Reflecting the ideal-type narrative outlined in the previous section, this story conflates both households and the state in the context of the credit crunch and global financial crisis: ‘we’ all racked up

too much debt targeting the high-life in the boom years, but since the crisis we must now start living within means; this has befallen everyone in society and we must now reap what we sowed. The actual differences between state and household are eked out through the primacy of debt. The flexible power of invoking debt is premised upon its clear moral foundations.

This point also brings to the fore that ‘the state should act like a responsible household’ is, in the final analysis, a claim that is saturated with moral meaning. Ultimately this invocation is rooted in a sense of what ‘good’ households *ought* to do, suggesting that morality must be at the heart of the issue. To fully understand the sense of moral crisis that austerity is predicated on, we must first unpack how the meaning of a responsible household has changed over recent history, and, second, understand how this meaning has come to be so. In other words, we must understand both what the ideal of a thrifty household is at this particular time, and how this led to a mood receptive to austerity.

### **7.2.1 The practical past**

This history of responsible or thrifty households, however, contrasts starkly with existing histories of austerity. Blyth’s history, for instance, is an intellectual tour that encompasses political philosophy, economic theory and economic history. As Blyth rightly points out, there is no well worked ‘theory of austerity’, but rather a ‘sensibility’ concerning a small state in which deficits and debts in downturns are frowned upon (2013a: 98-9). Blyth’s history then starts with both Smith and Hume’s distrust of debts and deficits, before ending by surveying Alesina’s ‘expansionary fiscal consolidation’. It is a history, however, that equates austerity with a distrust of the state (and with that, a distrust of fiscal deficits and of sovereign debt), rather than



a more everyday ambiguous virtue of living within means. Although Konzelmann's (2014) history is slightly more expansive, both histories provide an incomplete understanding of the idea of austerity (in contrast to the idea of fiscal consolidation).

In contrast, an intellectual history of thrifty households would surely begin with Aristotle's *oikonomia*. This term referred to the wise and prudent management of the good, wealth and welfare of the household economy. This *oikonomia* or household economy was 'managed not just to satisfy immediate material needs but to also provide the possibility of a good life distinguished by independent wealth and prosperity' (Allon 2011: 144). As Rousseau explains in *A Discourse on Political Economy*: 'the word Economy, or OEconomy ... meant originally only the wise and legitimate government of the house for the common good of the whole family ... the meaning of the term was then extended to the government of that great family which is the State' (Rousseau 2011 [1755]: 79). The household analogy, then, has a famous history: it is virtually written into the history of studying and making sense of the economy.

The importance of prudential and responsible 'household management' was reinforced with the advent of classical political economy. For Adam Smith, and for the intellectual tradition he decisively contributed to, thrift is equated with saving. It was Smith who wrote 'what is prudence in the conduct of every private family can scarce be folly in that of a great kingdom'. While those who do not save are guilty of 'prodigality and misconduct', Smith is not necessarily engaging in just moral proselytising (see *Wealth of Nations*, II.3.13-18) since saving was then regarded as 'rational from both the individual and collective point of view' (Dodd 1994: 11). For Smith was merely observing how the economy he knew operated: in the early 1800s it was typically only the wealthy landlords and capitalists who both had the ability to

save and the requirement to put those savings to productive use as the basis for investment and thus economic growth (Heilbroner 1999: 264, Toporowski 2005: 136-7).

Society, however, soon changed. As wealth generally improved in the Western world, saving became a distinct possibility for increasing members of society and thus decreasingly directly related to investment (Heilbroner 1999: 264). Of course, Keynes was perhaps the most famous to note the potential paradoxical economic implications of these changes: a classic fallacy of composition in which the population's attempts to save money in a downturn impacts upon aggregate demand, making the population worse off in the longer run. Keynes' contributions coincided with yet another shift in norms and expectations. 'Put simply', Daniel Bell (1974: 44) argued, 'where workers once feared losing a job, which was the common experience of the Depression, they now expect a job and a rising standard of living ... And no government can deny that expectation'. Bell foresaw that this would lead to divisive contests over distribution that would require 'a new ethos of restraint' that would 'contain the untrammelled passions of Western consumer culture' (Krippner 2011: 20). Invoking *oikonomia*, Bell used the term 'public household' to outline his vision for a new form of social and political deliberation on how to guide decisions about redistribution toward public needs rather than private wants.

While undoubtedly interesting and important, this preliminary intellectual history needs to be at least supplemented with a more 'practical' and contemporary history. For what is particularly of interest is instead how norms and conventions surrounding how a household should live within means have created a mood for austerity. Amin Samman's (2014) distinction between 'the historical past' and 'the practical past', itself borrowed from Hayden White and Michael Oakeshott, is particularly

illuminating in this regard. Both White and Oakeshott make this distinction regarding how two different kinds of past perform different functions (Samman 2014: 24). The first of these is the historical past, which is ‘a past authenticated through the truth-procedures of the historian’ (Samman 2014: 25). In contrast, the role of the practical past is to ‘enable and inform the decisions of individuals as they confront the mystery of an ever-changing present ... This past consists in the loose or unexamined memory that people carry around with them’ (Samman 2014: 25). Following Bramall (2013: 14), then, the focus here is on the ‘*presence and persuasiveness* of history’ in the form of the practical past, rather than what is absent from or incorrect about these resurrected histories of thrift and austerity. So, rather than discuss historical events or intellectual history, I seek to use the next sub-section to explore (1) how the past (whether accurate or not) is being used to make sense of the present and future in novel ways and (2) how that process is leading to changing norms and conventions from a historical perspective.

### **7.2.2 The responsible household**

Reinforced norms and shifting conventions about thrift have made austerity, as broadly conceived, a *desirable* virtue following the credit-fuelled excesses of the pre-crisis years. This process has relied heavily on borrowing from the past (especially post-war ‘Austerity Britain’), resulting in a sort of strange and kitsch nostalgia that is being made into something new (Bramall 2013). The meaning of thrift has subtly shifted from synonymous with saving, and is now ‘connecting with various practices geared towards reconfigured modes of consumption and lifestyles – ethical, conscientious or collaborative’ (Podkalicka and Potts 2013: 2). This history of how households *should* live within means is central to understanding the (moral) idea of austerity.

First, however, it is worthwhile to briefly unpack the most obvious way in which a household should be responsible: through the very well engrained moral and social obligation to maximise the life-chances of the family unit. This obligation is intergenerational – about elders (e.g. Silverstein *et al.* 2012) but especially about children and future generations. Homes are seen as places of responsibilities, with adults shouldering a moral obligation to look after daily life (May 2008: 473, Helavirta 2011: 434, see also Finch 1989). This is a point made in even stronger terms by McCarthy *et al.* (2000), who conducted interviews with a number of parents. They found that moral imperative that adults must take responsibility for children in their care and therefore must seek to put the needs of children first is so strong ‘that it seems to have been impossible for anyone to disagree with it in the accounts we heard’ (McCarthy *et al.* 2000: 789). In the interviews, parents consistently tried to uphold their identities by showing how they live up to this: ‘everyone subscribed to it in some format in at least some part of their interview’ (McCarthy *et al.* 2000: 790).

Similarly, the philosopher L. A. Paul (2015) has discussed how the predominant cultural paradigm for deciding to have a child or not is through a personal choice in which responsibility is played against future expectations of life-chances, happiness and self-actualisation. This cultural paradigm is reinforced through the attention and resources that are geared towards unplanned pregnancies and family planning (Paul 2015: 2). Family planning, and thus some of the moral issues surrounding responsibility, were different before the advent of contraception, whereupon choosing to have children was limited – and when it was chosen it was often because one needed an heir or more labour (Paul forthcoming: 20). Ideals about when to start a family are now, however, more centred upon careful deliberation about how to best

enhance the life chances of both parents and their kin. To do otherwise is deemed irresponsible for future generations.

The household, as a family unit, is bound up with responsibility over intergenerational life chances. This is reflected in elite justifications for austerity. Comparing the state to a household is often linked to claims about ‘saddling’ the next generation with debt.

For example:

‘It is not fair to live beyond our means and leave the next generation to clear up the mess [...] If a government recklessly increases borrowing – on and off the balance sheet – then it simply shifts the burden of paying for today's public expenditure on to the next generation. Instead, government has a responsibility to mend the roof when the sun is shining’ (Osborne 2008b).

‘The confidence needed to plan for a family's future without the threat of a generation weighed down by national debt’ (Osborne 2008c).

Living within means, then, can be a commitment to the life chances of the family unit. Being frugal and spendthrift, and avoiding unnecessary debt, is an important part of constantly meeting this moral obligation. As Goffman (1971: 184-7) argues, to ‘sustain a viable image of himself [sic] in the eyes of others’ requires presenting oneself as meeting the codes for socially acceptable behaviour. These norms are accompanied by both negative and positive sanctions for refracting or complying (Goffman 1971: 124). ‘The significance of these rewards and penalties is not meant to lie in their intrinsic, substantive worth but in what they proclaim about the *moral status of the actor*’ (Goffman 1971: 124, emphasis added). Following these norms, then, it is important part of how one maintains their sense of social self, and a way for them to continually confirm the rightness of their own actions. Intergenerational responsibility, as a norm, is an important aspect of how an ideal household should live within its means. In invoking this in making sense of austerity, a tapestry of social history is itself being invoked.

It should also be noted that although it is not an integral part of accounting for austerity acquiescence, this practical past of household thriftiness is gendered. As Bramall argues, in this practical past of austerity ‘certain gendered subject positions are more visible, desirable, and possible than others’ (2013: 111). With the postwar context of the austere home front being constantly conjured, we cannot help but be consistently presented with the gendered nature of these times. Indeed, the practices implored by the new thrift – ‘of making, saving, digging, mending, and being resourceful’ – are activities that are ideally located in the home and in the ‘sphere of domesticity’ (Bramall 2013: 111). For Bramall, the ‘austerity housewife’ is a very visible figure: this controller of the family ration book being ‘summoned, for instance, via the display of austerity-appropriate products in shops, or in magazines’ (2013: 111). This practical past helps produce a necessarily gendered subject position in which the austerity housewife serves as an ‘exemplar for present times’ (Bramall 2013: 111).

That the ideal household should act responsibly and within its means was also politically encouraged. Matthew Watson in particular has traced how microeconomic prudence and responsibility became an increasingly important and constitutive element of the political economy of New Labour. Watson’s (2008b) argument is that under fiscal pressures to simultaneously provide some form of social democratic support for maximising equality of opportunity while ensuring macroeconomic prudence to generate market credibility and appease tax resistant middle-class voters, New Labour were increasingly forced to pass the buck for care and assistance onto the individual. This involves dissipating the long-term pressures of fiscal transfers on government expenditure by, first, redesigning the welfare system to ensure claimants get ‘something for something’ (rather than ‘something for nothing’) and, second,

through encouraging homeownership to act as a form of asset-based welfare to encourage self-reliance in old age.

What is particularly notable is how through these shifts in both policy and discourse the responsibility of the state and of households became visibly entangled. The promise of making welfare work and of instilling asset-based welfare was consistently premised on the basis of reducing the welfare bill and ensuring decreased expenditure for the future state (as well as in terms of ensuring low inflation) (Watson 2013b: 11). Being a responsible household that lives within its means (by, for instance, foregoing some degree of current consumption to invest in property for an asset-based future) is not just directly important to maximising the life chances of individual households themselves, but also indirectly important for a responsible state under its own budgetary pressures (Watson 2008b: 583). The imperative for responsible households was encouraged through a number of flagship New Labour policies, notably including welfare-to-work and the Child Trust Fund (on which see Finlayson 2008). These changes are again important for our concerns later on.

There are also more contemporary shifts in norms and conventions about how one should live within means that help foster a mood conducive to austerity when justifying fiscal consolidation through analogising the state as a household. During the boom, many millions of Britons increasingly made use of unsecured credit and the seemingly eternally rising house prices to meet increasing expectations of living standards (see Chapter 1). This led to certain norms, expectations and understandings surrounding homeownership and owner-occupation in the UK. Despite spiralling household debts, there was a sense that there was a never-ending boom in which easy credit and a buoyant housing market played an integral part. However, the expectations became problematized come the inevitable downturn, with the

politicisation of debt as a problem leading to a rethink of the role of credit in everyday life. This was reflected in the focus group discussions in Chapter 5. Participants generally spoke in the past tense about a period of credit-fuelled profligacy that has now passed. More specifically, this distinction was between a past in which the UK was caught on a ‘hamster wheel’ of consuming beyond its means through ‘finance up to our eyeballs’ and an austere present and future. One participant spoke how there was a ‘feeling that anything you wanted you could go out and buy’, but now realises that it ‘much better to go back to the way I was brought up which was you don’t buy anything until you could afford to buy it within reason’ [Linda, focus group A2].

Realigning everyday practices of credit and consumption by reimagining a more prudent past is a trend in Britain that has been picked up by many observers as the rise of the ‘new thrift’. ‘Austerity chic’, as Tracey Jensen (2012) terms it, looks to replicate the common-sense values and kitsch-factor of historical periods, particularly those times surrounding war. Except that instead of a matter of survival and hardship, austerity chic is primarily the romanticised preserve of middle-class distinction with ‘conspicuous *non-consumption*’ emerging as a new marker of cultural value (2012: 16). Jensen cites the rise of programmes such as *Superscrimpers* as particularly exemplary of this trend<sup>1</sup>. Such programmes are primers on how to consume cleverly; indeed, they are essentially instructions on how to be a responsible household. Both Jensen (2012: 15) and Bramall (2013: 67, 139) point to a whole range of increasingly popular activities that tap into this mood for new thrift: retro craft activities such as knitting, growing vegetables, and so on. While some of these activities are undertaken due to financial stress and necessity, they are equally frequently undertaken via a

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<sup>1</sup> Since each episode begins with stock footage of normal people making do and mending from post-war Britain with the voiceover telling us we can learn from these times, *Superscrimpers* is a particularly illustrative example of the return of the past that both Jensen and Bramall discuss.



performance of thriftiness in order to enhance one's cultural capital (Bramall 2013: 23). It is for this reason that this new thrift or austerity chic should be distinguished from genuinely frugal behaviour<sup>2</sup>.

This new thrift is heavily intertwined with practical pasts that act as 'repositories of both kitsch appeal and common sense wisdom' (Jensen 2012: 12). For Bramall, this practical past is far from just a peripheral part of this culture. Instead, the notion that there is a relevant analogy between this post-downturn 'age of austerity' and a post-war 'Austerity Britain' is at the heart of this shift (Bramall 2013: 37). This analogy has been consistently produced through many objects that make direct reference to this time period. Perhaps the most high profile example of this is the recent proliferation, in both original form as well as custom and pastiche versions, of the 'Keep Calm and Carry On' poster. Originally an unused motivational poster created by the British government to raise morale at the beginning of the Second World War, the poster combines 'bare modernist typography with the consoling iconography of the crown and a similarly reassuring message' (Hatherley 2009: 2). Owen Hatherley argues that the poster taps into an 'austerity nostalgia' that romanticises a public modernism associated with a stiff-upper lip and the importance of muddling through (2009: 2-3). For Hatherley, the poster is a clear way of committing to this new thrift or austerity chic, i.e. to continue consumption as normal 'albeit with a less garish aesthetic than was customary during the boom' (2009: 3). This is what makes the new thrift new: it pastiches the past in creating a new conspicuous austerity that is

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<sup>2</sup> David Evans (2011), however, draws an important distinction between thrift and frugality. Thriftiness implies a moral commitment to 'doing more (consumption) with less (money)' to both maximise the life-chances of the household and to free up resources for extra consumption as signs of devotion towards significant others (Evans 2011: 511). Hunting out bargains and reduced items will certainly save money – but it is done with maximising consumption, rather than 'being green', in mind. Frugality, meanwhile, suggests a more concerted attempt at reducing consumption *per se*.

somewhat divorced from genuine frugality. These represent emerging norms to which households are increasingly expected to uphold in presenting themselves as responsible and affluent.

With ‘downshifting’ and living within means seen as a route to the good life (Thomas 2008), food has played a particularly important role in this middle-class new thrift<sup>3</sup> (Potter and Westall 2014). One way in which this is manifested is in the rising popularity of allotments, which allow people to explore a degree of self-sufficiency often under the historical rubric of ‘dig for victory’ (Bramall 2013: 58-83). The rising popularity of allotments has been so sudden that the demand now seriously outweighs the supply (Bramall 2013: 62). For others, the increasing ubiquity of cupcakes – ‘the definitive food item of 2012’ – is symptomatic of a ‘particularly bourgeois air of self-deprecation and quasi-ironic thriftiness’<sup>4</sup> (Potter and Westall 2014: 159, see also Ali 2012). More generally, there has been a shift in how food is consumed towards a desired ideal of thrift and, to a lesser extent, frugality. Potter and Westall track these shifts through the *Kitchen Diaries* of Nigel Slater – a food writer for *the Observer*. While much of the 2005 volume is dedicated to discussing the virtues of trendy North London eateries, the 2012 sequel sees Slater retreat into his home to discover the humble benefits of thrifty cooking – making particular use of carefully selected special ingredients alongside leftovers (Potter and Westall 2014: 165-6). These are all crucial ingredients in the practice of the new thrift.

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<sup>3</sup> This goes beyond just food, of course, and is imbricated in what cultural studies scholars call (perhaps erroneously) ‘anti-consumerism’ (see Binkley and Litter 2008). As Sam Binkley (2008: 59) explains, ‘consumers today are increasingly asked to look beyond consumer capitalism’s drab seriality and moral vacuity, to seek deeper meanings to wider life problems in a range of niche-marketed products bearing the stamp of rebellion, authenticity, simplicity, economic justice and ecological responsibility’.

<sup>4</sup> The rise of cupcakes is one of the ways in which the mood of the times surrounding austerity is undoubtedly gendered. The resurrected 1950’s chic alongside an ironic homage to domesticity is related to the ideal of austerity (Bramall 2013: 117-8). This has led to debates about whether this trend is productive or not for feminism (e.g. Stein 2008, Groskop 2008, Trussler 2012, Brightwell 2012).

## Summary

One of the central justifications for spending cuts is that the state should act more like a responsible household in order to solve a debt crisis caused by overspending. One basis of this justification is a normative claim about household thriftiness and responsibility. But how *should* a thrifty household act? The aim of this section has been to show how a particular norm of thrift has become increasingly prevalent since the onset of the 2008 economic downturn. This new thrift, a conscious effort to live within means following the financial and environmental excesses of the pre-crisis years, has reinforced existing norms about household intergenerational responsibility. It is this sort of living within means that is invoked in the moral imperatives within the Coalition government's justifications for spending cuts. This is inextricably part of a narrative that draws on a practical past to create a distinction between a time of pre-crisis excess and an austere present. Tracing this shows how the idea of austerity goes beyond just a 'Treasury view' distrust of the state and of public indebtedness. The idea also incorporates a *moral* imperative for households to live within means, an idea that is particularly relevant to the mood of these times. This is also one way in which the household analogy works. Shifting and reinforced norms about how households ought to live within means 'coincide and collude' (Potter and Westall 2014: 155) with the elite justifications for how the state, too, should live within its means.

Unexplored thus far, however, is how the rise of the new thrift is bound up in experiences of class. For this romanticisation of austerity is only available to those with the required cultural and economic capital to *choose* thrift (Jensen 2012: 15). More specifically, the new thrift is a site of middle-class cultural distinction that is

reserved for those who have the capacity to perform it as such. As Solitaire Townsend argued in an episode of *Analysis* on BBC Radio 4, this involves:

almost being embarrassed of over consumption. Sitting at a dinner party and people apologising to others that they're taking their family on holiday to Bali and kind of bemoaning the fact that the cancellation fees are too high and that their children would far prefer to go to Cornwall this year. This idea of sort of conspicuous austerity is becoming very fashionable<sup>5</sup>.

This new thrift, then, is a middle-class mark of distinction. This distinction is strengthened in opposition to *another*. Thrift has been 'reinvigorated as a source of cultural value' and has become 'a site where classed Others are produced and symbolically shamed for not being austere enough' (Jensen 2012: 15). By practicing a pastiche of austerity, people can distance themselves from the pre-crisis profligacy and assert their moral authority. In this sense, the rise of this new thrift dovetails with the individualisation of poverty, in which being impoverished or dependent upon welfare benefits is attributed to a series of bad choices or socially inherited 'wrong' behaviours (see Chapter 6). To fully understand how this relates to the legitimisation of fiscal consolidation beyond the 'collusion and collision' with elite justifications, we need to unpack the political implications of the sense of taxpayer group position explored in Chapter 6. This is the aim of the next section.

### **7.3 Punishing the undeserving poor**

While the last section sought to unpack the ideal thrifty and responsible household that underpins some justifications for austerity, this section seeks to explore the implications of the abstract moral order that many focus group participants produced while implicitly discussing fiscal relations. First, I return to the taxpayer as a sense of group position and reflect on how this is socially constructed. Second, I present a

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<sup>5</sup> Transcript available here:

[http://news.bbc.co.uk/nol/shared/spl/hi/programmes/analysis/transcripts/05\\_03\\_09.txt](http://news.bbc.co.uk/nol/shared/spl/hi/programmes/analysis/transcripts/05_03_09.txt) [Date accessed 13/01/2014]

brief historical overview of the undeserving poor in order to show how these fiscal relations are well embedded in society rather than just merely being passed down by discourse. Finally, I analyse the political implications of these fiscal relations, pausing to reflect on how the undeserving poor have been punished severely while the undeserving rich have been largely unscathed.

### **7.3.1 Returning to the taxpayer as group position**

When there is a legitimacy gap between lived experiences of profligacy and normative expectations of prudence in the redistribution of ‘taxpayers’ money’, fiscal consolidation may be reluctantly accepted. This was the core argument of Chapter 6. This legitimacy gap was in turn dependent upon the production of ‘the taxpayer’ as a sense of group position. Focus group participants typically produced a moral abstract order in which this taxpayer group was produced in opposition to an undeserving poor and rich. The key point of difference between the taxpayer and the undeserving was the sense that the ‘squeezed’ former made a net fiscal contribution that the latter unfairly benefited from via redistribution (such as welfare benefits or bank bailouts). Chapter 6 largely took this for granted, but we now have some limited space to briefly explore both the historical context and political implications of these relations.

One of the oddities of the taxpayer as a group identity is that everyone in the UK does, of course, pay tax in some form even if it is just via value-added tax (VAT). Indeed, to talk of ‘taxpayers’ money’ is sometimes seemingly synonymous with ‘our money’; that because these revenues are taken from citizens’ incomes either directly or indirectly those citizens therefore possess some form of partial ownership over all public goods. We can identify two important sources of this sense of ownership. On the one hand, Laura Paler (2013) has shown that the sheer act of paying a highly

visible tax leads citizens to gaining a sense of ownership over the public purse. Paler conducted field experiments in Indonesia, and when her participants were conditioned with an alternative state revenue model (in this case, windfalls via natural resources), they were statistically significantly less likely to possess the same sense of ownership (2013: 721-2). On the other hand, this sense of ownership is also socially constructed. Take, for example, the way in which the media typically divide the cost of public services by each household or taxpayer; for example, that each British household is paying, *on average*, £X in interest payments on the debt. These statistics are clearly dubious<sup>6</sup>. Yet, they also demonstrate how the average taxpayer, as an average owner of a portion of all fiscal revenue and expenditure, is a meaningful and legitimate category. The collective sense that taxpayers to an extent own the government budget, both intrinsic and socially constructed, is an important element in the configuration of the fiscal relations examined in this section.

I have defined these relations as *fiscal* (rather than just tax) for an important reason: that both revenue and expenditure must be analysed in relation to one another. Michael Ross (2004) convincingly demonstrates that there is no link between the *absolute* tax burden and political demands for reform. Rather, fiscal preferences are based upon the tax burden *relative* to the services the government provides (Ross 2004: 234). This implies that citizens perform a cost-benefit analysis in which the costs of funding the government are weighed against the benefits they themselves receive (Ross 2004: 234). For citizens ultimately care about the relative *price* of public goods rather than their absolute *cost* (Ross 2004: 234). Ross proves this

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<sup>6</sup> For one, only around 30% of the UK's total tax revenues are sourced from income tax, and if a sovereign state went bust an international debt collector is very unlikely to ask each citizen to pay their 'share' of the outstanding debts.

through comparative and historical statistical analysis, and others have supported this through their own research (e.g. Paler 2013).

While Ross' model of the price of public goods is a very helpful heuristic, it glides over important problems in the search for analytical parsimony: Taxpayers do not have perfect information about revenue and expenditure, nor the immediate cognitive capacities, to conduct the cost-benefit analysis required to work out whether they are getting a fair price for their public goods. Instead of a statistically generated definitive 'price' based on aggregates of revenue and expenditure (which Ross produces), this 'price' manifests not numerically but as a sense of fairness as filtered through lived experiences. In this case, the sense that the price of public goods is not fair is, in turn and in part, because in the taxpayers' experience the fruits of their hard work is being redistributed in an unnecessary manner to those who do not deserve it. If the taxpayer deems that they are not getting a good price for their public services (as Chapter 6 suggests the case is here), and are thus a net contributor and 'in credit', then spending cuts could appear to match their preferences for a lower relative tax burden and a subsequent fairer price for public goods.

### **7.3.2 The undeserving poor in historical context**

The taxpayer as a sense of group position is only possible in opposition to another: the undeserving – especially the undeserving poor. For reasons that will become clear as we make our way through the remainder of this chapter, the political and historical significance of the undeserving poor far outweighs that of the undeserving rich in understanding the politics of austerity. The divide between 'unlucky' (and thus deserving) and 'lazy' (and thus undeserving) welfare claimants is as old as welfare itself (Van Oorschot 2000, Petersen *et al.* 2011, for the British context see

Himmelfarb 1984, Seabrook 2013). The effect is to stigmatise welfare benefit recipients: as if some recipients are lazy, thus rendering it consensual and free of coercion – and, importantly, the *choice* and *fault* of the claimant. One key claim developed in this thesis is that acquiescence to the imperatives of the debt crisis cannot be wholly accounted for by either the imposition of a top-down elite-driven narrative or through the rational calculations of taxpayers – instead, this acquiescence can be partially accounted for through tracing how it resonated with a mood (i.e. shared beliefs) that was culturally embedded *prior* to the age of austerity. With this in mind, this section will very briefly outline some of the ways in which the undeserving poor as an othered social group have been socially constructed and constituted, thus providing a cultural and experiential resource for members of the public when making sense of the debt crisis.

The historical nature of the undeserving poor is important to consider, especially in the context of recent works that align the vilification of an ‘underclass’ as a form of class hatred special to neo-liberalism (e.g. Jones 2011). We can, for instance, go back to Edmund Burke who famously decried the notion of the ‘labouring poor’ as logically non-sensical, since the poor should refer to those who are ‘sick and infirm’ (Himmelfarb 1984: 23, Seabrook 2013: 131). It was these attitudes that underpinned the majority of the Poor Law reforms across the seventeenth and nineteenth centuries, in which a separation between the deserving and undeserving was an explicit criterion when judging whether someone was eligible for poor relief (Himmelfarb 1984: 23-4, Van Oorschot 2000: 35, Seabrook 2013: 45-98).

These sorts of distinctions have been well institutionalised into British culture via a periodic reinforcement. It was these sorts of ‘Victorian values’ that Thatcherism itself appealed to during the attempted state retrenchment during the 1980s (Hall 1988: 85).



As Stuart Hall argues, this retrenchment was backed by a discourse of self-reliance and personal responsibility, in which over-taxed individuals were being cheated out of their income by ‘the emotive image of the ‘scrounger’: the new folk-devil’ (1988: 47). Indeed, academic research has found evidence that people tend to view welfare recipients through a spectrum of deservingness: the public tend to favour fiscal transfers to old people, followed by the sick and disabled, then for families, with those on forms of social security the least (Van Oorschot 2000: 35). Recent experimental political science, meanwhile, suggests that the ‘undeserving heuristic’ is not merely cultural, but also has deep psychological roots developed during human evolution (Petersen 2012). Taken together, this is important. It suggests that the view that welfare recipients are undeserving is deeply woven into the culture and customs of the country – or, if recent research is to be believed, even part of human biology. The point is this: by invoking ‘responsible families’ and other tropes in the context of welfare reform and fiscal consolidation, there is an entire tapestry of history to appeal to.

In a more recent context, the deserving/undeserving distinction has been to a degree inscribed into both the welfare policy and discourses of New Labour. Most simply, this is visible in the rise of mean-tested benefits, which can institutionalise a deserving/undeserving distinction through creating a policy and discourse in which people are forced to abstractly judge whether claimants fulfil a criterion and thus deserve benefits (Petersen 2012: 2). But the distinction goes beyond just the proliferation of mean-tested benefits since it underpins to an extent the very logic and justification for New Labour’s welfare reforms which helped signal a change in the very meaning of what it is to be poor.

New Labour's earlier welfare strategy focussed upon tackling a perceived culture of irresponsibility around those who depended on welfare benefits. There was an emphasis upon ensuring that welfare no longer encouraged 'something for nothing' but instead ensured that those in need received 'something for something' (Watson 2013b: 11). In particular, New Labour's 'welfare-to-work' strategy was based upon a rejection of traditional redistribution to ensure equality of outcome since this risked institutionalising a culture of irresponsibility (which in turn poses a risk in regards to long-term fiscal pressures). An alternative justificatory framework was produced to signal this shift, in which welfare policy was increasingly geared towards delivering equality of opportunity by tackling social exclusion through investing in human capital (Lister 2003). In effect, this reconfiguration of poverty as exclusion entailed treating unemployment as a cultural and/or behavioural problem rather than an economic one. If poverty is the result of a culture of worklessness that arises from losing contact with the labour market, then the logical solution is to provide people with 'the personal wherewithal to improve their own lots' (Watson 2013b: 10). By realigning poverty with social exclusion and a culture of passivity, the poor were essentially divided into those who earned their relief through active behavioural change and those who were deemed undeserving for foregoing such activities.

This undeserving poor are, it should be remembered, constituted against 'the taxpayer' via a set of fiscal relations. According to Watson, policy documents that aimed to justify the welfare-to-work strategy in particular typically suggested that benefit claimants had 'a primary duty to society as a whole to end their lives of passivity and therefore to reduce their reliance on others' contribution to social assistance' (Watson 2013b: 14). Thus these relations almost take on the appearance of debtor-creditor relations, in which welfare benefit recipients are obliged to appease the taxpayer.

Indeed, restoring parity is ideally made through returning to the labour market in a productive manner, but until that point welfare recipients are under an *obligation* to make themselves as employable as possible (even safe in the knowledge that there are not enough employment opportunities for all). It is ‘the debtor’s constant efforts to maximize his [sic] employability, to take a proactive role in the integration into the work or social environment, to be available and flexible on the job market’ that is emphasised (Lazzarato 2012: 135). This punishment is justified not just on the basis of what they owe to society and the taxpayer, but for the fault and guilt of essentially being seen to have chosen to enter the set of relations in the first place.

New Labour’s welfare reforms have dovetailed with important shifts in how British society generally understands and defines the nature of impoverishment. While it was previously associated with material and economic conditions, there is evidence that it is becoming increasingly individualised and stigmatised. Shildrick and McDonald’s (2013) fascinating research into sixty men and women in north-east England caught up in the ‘low-pay, no-pay cycle’ discussed poverty in respect of themselves and others. Paradoxically, they found that interviewees typically denied their own poverty despite living in material hardship. Others, however, were identified as poor – although this poverty was not linked to material hardship but were judged for their irresponsible consumption and their failure to resiliently manage the situation they had been dealt (2013: 296). This process was, for Shildrick and McDonald, a process of identity formation:

In presenting themselves as largely unremarkable, in rejecting the label of poverty, in stressing pride in coping with hardship, research participants constructed a self-identity in contrast to a (usually) nameless mass of ‘Others’ who were believed, variously, to be work-shy, to claim benefits illegitimately and to be *unable* to ‘manage’ and to engage in blameworthy consumption habits (2013: 291).

The meaning of being poor has shifted away from hardship via material conditions towards the absence of an attitude towards ‘bettering oneself’; another obligation welfare benefit recipients must fulfil to prove their deservingness of taxpayer redistribution and then placate the de facto terms of their informal debt. It essentially supports the moral abstract order explored above and elsewhere.

It again should be reiterated how this moral abstract order is constituted in a process of distinction. Recall the previous section, in which shifting norms surrounding the ideally responsible household were surveyed. Signaling one’s responsibility and adherence to thrift through engaging in austerity chic is, I would tentatively suggest, in part a reaction to the changes about what it means to be poor and fiscally indebted chronicled here. As I argued previously – drawing on Goffman in the process – engaging in this particular form of ‘new thrift’ is a way of presenting oneself so as to meet the codes for socially acceptable behaviour, and in turn reassuring both themselves and others that they meet requirements for moral standards. To distinguish oneself from this should, in principle, take the form of truly living within one’s means – presumably as a private activity of saving. But given the necessarily social aspect of life (that is wonderfully afforded by Goffman’s frameworks), the process of distinction instead results in the almost-strange and pastiche form of ‘new thrift’ surveyed earlier. Growing vegetables in your garden for your own consumption is an example of this distinction yet it is only the reserve for those who have the time, space and (most ironically) money to do so. The sense of group position so central to this thesis has thus come full circle. The next section will briefly examine how these relations have come to impact upon the politics of spending cuts.

### 7.3.3 The politics of divide and conquer

In Chapter 1, I touched upon the politics of blame displacement: how governments will engage in a number of strategies to avoid blame for, or depoliticise, potentially unpopular policies. One such strategy is to ‘divide and conquer’ (Pierson 1994: 22-3). This strategy involves targeting cutbacks on particular subgroups within the population of potential welfare claimants so as to avoid potential opposition (Pierson 1994: 22-3). The Coalition government will almost certainly draw on this sort of strategy in displacing blame for their controversial welfare reforms. The reticence in retrenching benefits to pensioners – who are fortunate in that they are seen as both a ‘deserving’ and as an electorally salient subgroup – would be one example of this, and it is most likely that an in-depth analysis would find many more instances. Yet, because by 2012 many of the welfare reforms had yet to be fully implemented and therefore felt on the ground, it is perhaps necessary to instead think of a prior moment of dividing and conquering whereby what is at stake is not so much the allocation of specific cuts but broader societal contests about how redistribution ought to be organised.

At this point it is important to point out that the politicisation of the fiscal deficit via the imperatives of the debt crisis also politicises the price of public goods. The discourse of the debt crisis generates a sense of understandable scarcity around public goods, which logically leads to taxpayers questioning who or what was getting a free ride – because the ‘squeezed’ and hardworking middle could not possibly be fiscally ‘indebted’ given the lived experiences of many. Rather than a cost-benefit analysis that results in automatically-telegraphed interests, then, the price of public goods is rather a sense of fairness; a sense of how the economy *ought* to work (see Chapter 3). The taxpayers’ sense that the price they are getting for public goods is unfair is

dependent upon the moral abstract order outlined in Chapter 6, which generates a sense of group position. As a result, those who identify with the taxpayer consider themselves in credit due to their revenue being redistributed to the morally undeserving. By promising to reward ‘hardworking families’ by tackling ‘irresponsibility’ and so on, the coalition government are not so much offering a fairer ‘price’ inasmuch as they are offering a *sense* of a fairer ‘price’ to taxpayers for their public goods – and as a result, they can produce a degree of acquiescence to austerity from key electoral sub-groups.

The fragile legitimation of punishing the undeserving poor is one important political implication of these relations. Although many of the changes are essentially piecemeal in nature, the Coalition government’s welfare retrenchment programme will make the lives of Britain’s poorest worse (Taylor-Gooby 2012: 64). Changes to the Working Tax Credit will impact disproportionately upon women by privileging a traditional single earner model in middle-income families (MacLeavy 2011: 356), meanwhile the proposed ‘bedroom tax’ will disproportionately impact upon those who are disabled (Guardian 2013, Meers 2014). While there are further examples of how the spending cuts are being filtered into welfare retrenchment for the vulnerable or non-powerful (e.g. Jacobs and Manzi 2013, Bales 2013), much of the ire over the policy strategy has been over the stigmatisation or ‘punishment’ of the poor – particularly in the onerous and disproportionate demands being placed upon benefit claimants. While we do not have to necessarily go as far as John Rodger (2012: 416) in claiming that ‘the criminalizing tendency in contemporary social policy gets to the very heart of how contemporary welfare systems work today’, one does not need to

look far to find examples of this particularly in terms of welfare sanctions<sup>7</sup>. For instance, *The Guardian* have reported how ‘personal improvement plans’ (in effect, sanctions) have not just increased in frequency but have been pushed by Job Centre employees in order to meet centrally set targets (Wintour 2013). Just like the New Labour reforms, the notion of the undeserving poor is implicit: that benefit recipients are almost deviant and in need of disciplining<sup>8</sup>.

The inequity of this is exacerbated further by briefly recalling that the moral abstract order outlined in Chapter 6 consisted of solidifying the taxpayer in opposition to both the undeserving poor *and* rich. Why not punish the undeserving rich too? Given the argument, anger and punishment could and should be channelled as much into tackling welfare scroungers as it should on bankers’ bonuses, MPs’ expenses and tax avoidance. These would, given the evidence and argument throughout this thesis, be legitimate moves that would resonate with the mood: everyone should pay their fair share of revenues, including the rich. But we must recall that at the heart of the moral order alongside making fair contributions to state revenues is the virtue of working hard and ‘bettering oneself’. In this sense the undeserving rich typically have an advantage. While some of these rich could be cast as lazy rentiers, it is harder to render them as fiscal debtors especially since they are unlikely to be *dependent* upon seemingly direct redistribution. After all, finance has been made ‘productive’ to the economy (Christophers 2011); this and other forms of structural power (Lindblom 1977) are something welfare claimants can not claim. Yet, with the recent

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<sup>7</sup> For anecdotal examples of these sanctions see <http://stupidsanctions.tumblr.com>

<sup>8</sup> These dynamics of punishment were also apparent and reinforced in the reaction to the 2011 English riots surveyed in Chapter 4. Individual offenders were not only punitively sentenced in formal courts but many were also provided welfare sanctions including the eviction of families from social housing (Hancock et al. 2012: 356).

politicisation of wealth inequality thanks to Thomas Piketty's (2014) timely intervention a way of tapping into this moral abstract order for potentially rather more progressive ends might be possible.

### **Summary**

This section has expanded the argument, outlined in Chapter 6, that a moral abstract order between the hard-working taxpayer and the undeserving has created a legitimacy gap that fiscal consolidation can (perhaps paradoxically) seem to close. By intervening to halt redistribution to those who do not deserve it, the state can be seen as restoring a sense of fairness. It is these relations that can make the punishment of the poor and the redistribution of taxpayers' money *away* from them as essentially increasing fairness.

### **Concluding remarks**

Crisis is central to understanding the age of austerity, for it creates the space for a decisive intervention that might otherwise be unjustifiable. One way in which crisis is used is to invoke the notion that *something* cannot continue. A crisis is the process in which this something seems fallible to complete and systematic collapse unless a decisive intervention is made. In this sense it is also an opportunity to rewrite what went before, to institutionalise a different way of doing things. For political economy scholars that *something* has been identified as finance, growth, the fiscal state, capitalist production, or even society itself. However, I argued in Chapter 1 that there is no need for assuming the singularity of crisis. Different crises are enacted and performed. For some, the age of austerity has been experienced as an intervention into a crisis of *morality*. Fiscal consolidation and welfare retrenchment are predicated on a crisis of morality and of responsibility, and this strategy can restore a form of parity



by intervening on behalf of the taxpayer to improve their lot. Fiscal consolidation is therefore considered as something that can potentially make life *fairer*. Austerity more generally, meanwhile, is premised on a promise to *reverse a moral decline* (see also Konings 2012: 612). It is primarily for this reason that austerity, to invoke the Introduction, is a powerful and successful idea, because it resonates with the mood of the times – an ideal-typical set of culturally embedded popular wisdoms and experiential knowledge.

The mood of the times was receptive towards the reluctant acceptance of austerity. In other words, the debt crisis narrative resonated with, and could be justified via, shared beliefs, norms and conventions of the mass public – many of which are intensely moral and historically embedded within the culture of the country, such as the importance of the responsible and thrifty household. This is, in part, how the spending cuts were conferred legitimacy. Spending cuts could be justified in terms of the public life of crisis, everyday sense making processes, and gaps between the experiences and expectations of taxpayers' money. This mood and the three stylised parts that constitute it are historically embedded as social norms. In other words, they existed well before the specific elite articulation of the debt crisis narrative. Acquiescence to the idea of austerity is therefore not adequately explained by the top-down imposition of a legitimating narrative; for the participants I interviewed tended to use resources from everyday life to justify it in different ways. Although the process of austerity and the debt crisis it is predicated upon were essentially elite driven processes, acquiescence cannot be reduced to this since the narrative worked not through pure subterfuge but because it resonated with and gave to sense the lived experiences of the public.

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## Conclusion

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### **Argument and contribution**

This thesis has argued that austerity is a powerful and successful idea – in underpinning the legitimisation of the post-downturn strategy of fiscal consolidation in the UK – because it resonates with the mood of the times. This argument is itself premised upon a puzzle: fiscal consolidation should be an unpopular policy because it threatens to impose losses on large sections of the electorate, yet the public have reluctantly accepted the necessity of it. Why? I have developed a method, which involves the interpretation and historicisation of focus group data, to produce a novel case-specific analytical narrative about austerity acquiescence and the legitimisation of fiscal consolidation. I have argued that the idea of austerity invokes a sense of moral crisis: the UK immorally lived beyond its means through easy credit and redistribution to the undeserving. Austerity can seemingly reverse this, restoring a sense of fairness within fiscal relations in the process.

Existing scholarly accounts of austerity acquiescence typically fall into two camps. Either they pin the causal mechanism as the taxpayers' interest based on cost-benefit analysis of spending cuts, or they analyse the top-down interpellation of certain quiescent subject positions. Conventional wisdom in political science and welfare studies, meanwhile, suggest that austerity and welfare retrenchment are inherently unpopular, and thus require necessary obfuscation to generate acquiescence. While there is a great deal of explanatory value in these two perspectives, the constructivist methodology offered here has produced a more concrete analysis of everyday politics about the downturn, debt and tax in explaining austerity acquiescence.

Fiscal consolidation is, on one fundamental level, about the financing of the state. More specifically in this case, it is about a scarcity of public funds, as invoked by the particular meaning of the fiscal deficit. In a democracy such as the UK, with relatively high levels of taxation, this means the life-chances of the general population are at stake: most significantly in regards to the fairness of the tax, but also in regards to those who rely on the state either through employment or welfare benefits. In these moments of scarcity, everyday politics over how the economy *ought* to work come to the fore. Contestation and propagation of intersubjective norms and conventions that refer directly or indirectly to revenue, redistribution and spending are, whether conscious or not, a part of this. If policy reforms or state interventions correspond with shared views about how the economy ought to work, then those changes are likely to be conferred legitimacy. This was the central insight of Beetham (1991), when he succinctly demonstrated that legitimacy can be conferred via justification by shared beliefs. If we can show that an idea is legitimate via justification by shared beliefs, then we can say that idea resonates with the mood of the times.

This thesis has shown how in this sense austerity is a powerful and successful idea because it resonates with the mood. In particular, there were two key ways in which the debt crisis narrative that underpinned the public justification of austerity reflected norms about how the economy ought to work. First, while people do not necessarily *think* that the state should act like a household, making sense of such an inextricably complex phenomenon requires heuristics. The process of extrapolating popular wisdom and experience about what it means to be a thrifty household render, of course, spending cuts in the name of deficit reduction as a logical and necessary move. Ultimately, however, that debt is an ambiguous moral obligation is what makes this comparison make sense. Second, through the group position of the taxpayer in opposition to the undeserving, there is a sense that the economy ought to favour those who work hard. By cutting spending and retrenching welfare, austerity can thus *promise to restore fairness* to a core constituency of self-identifying hardworking ‘taxpayers’. More than that, because the debt crisis narrative itself invokes a larger moral crisis narrative: we were all irresponsible and spendthrift, and now we must all pay the price. Debt is the great equaliser; able to make the remortgaging of a house to finance a conservatory seemingly as part of the same process as when the council repaves an otherwise decent road when public goods are scarce and the deficit widening. In this sense, austerity is to an extent premised on a promise – that is hard to refuse if the terms it is based on are accepted – to *reverse a moral decline*. This is, in part, what austerity means.

On the basis of this argument, this thesis contributes three things to the discipline of political economy: first, an empirical account of austerity acquiescence that taps into analytical debates about the nature of post-2008 political and economic change; second, some required definitional clarity in the different meanings of austerity, fiscal

consolidation and spending cuts; third, a constructivist methodological framework that uses focus groups to study how ideas and crises are ‘successful’.

The first of these contributions is a novel analytical narrative that explains austerity acquiescence. As explained in Chapter 3, it was always assumed that such an explanation would be partial, but that it would help illuminate how austerity acquiescence is ‘historically *so* and not otherwise’ (Weber 1949: 72). The implications of this analytical contribution can be unpacked further. For one, this thesis has helped us understand one of the central political economy intrigues of the crisis: how and why did an economic downturn attributed to either of or in finance (Braslett *et al.* 2009: 379) end up as a crisis of state debt? Many political economists have suggested that the agency of elites was integral to this process. Mark Blyth, for instance, describes the way in which politicians constructed a crisis of public spending as the ‘greatest bait and switch in history’ (Blyth 2013a: 73). In no way am I suggesting that elites did not matter to this process of discursive construction, but this thesis does help us understand how the legitimisation of this strategy resonated with a culturally embedded and pre-existing mood of the times, which suggests the ‘success’ of the idea can not merely be reduced to the top-down imposition of an idea on an unsuspecting public.

Furthermore, there is an emerging academic view that the UK’s perilous fiscal position can be traced back to New Labour’s end years, which the bank bailouts significantly exacerbated (Thompson 2013, Watson 2013c). This suggests Blyth’s ‘greatest bait and switch’ claim may, in the instance of the UK especially, be somewhat overstated in the sense that there were clearly long-term imbalances in the UK’s fiscal dynamics. There may be some strange ironies at play here. New Labour’s interventions were, in a sense, extremely successful. While they did not make the

downturn plain sailing in terms of private and localised privation and hardship, they did help ensure that public normality ensued. House prices did not crash. Banks did not collapse. Rubbish did not accumulate on the streets on a national scale. The dead were buried. Normal expectations were unaffected. Some of these, particularly the former two examples, were clearly due to the success of their interventions. In another more narrow sense, however, their interventions were a miserable failure. New Labour were responsible for the macroeconomic and redistributive reliance on asset-prices, the stabilisation of which served as a central justification for the bank bailouts (Watson 2013b). Since these interventions significantly worsened the UK's fiscal conditions, New Labour essentially helped obliterate their economic governing credibility. Worse still, they provided a basis (via bank bailouts) for the moral crisis (i.e. redistribution to the undeserving) that helped ensure that fiscal consolidation made sense as a wider 'age of austerity'. The choices and pathologies of New Labour, both before and during the crisis, helped create the space and conditions for the deeply moralised debt crisis that justifies austerity. New Labour may have aimed to take one for the team, but they have ended up gifting the opposition a goal.

A second contribution of this thesis is some basic definitional clarity for making sense of the complexity when analysing *spending cuts*, *fiscal consolidation* and *austerity*. I suggest that political economists should be careful to make a distinction between each of these three words since they *mean* different things (see also Bramall 2013: 2). First, the politics of fiscal consolidation encompasses *more* than just spending cuts. Spending cuts, largely as a technocratic game of blame avoidance in the name of obfuscation, cannot be made sense of without a wider understanding of fiscal relations. In a way, this invokes Ross' argument outlined in Chapter 7 that we cannot fully appreciate the politics of tax without looking at the *relation* of both revenue *and*

expenditure. The same logic applies here: we cannot appreciate the politics of spending cuts without looking at the *relation* of both (cutting) expenditure *and* (dwindling) revenues. This might sound like a very obvious argument, yet the high profile literature suggests it is a point worth making. Blyth's book, for instance, barely mentions tax or fiscal relations outside the context of post-2008 interventions. While Blyth does convincingly demonstrate that fiscal consolidation is a dangerous idea, it might appear less so if the long-term fiscal crises of Western states were also taken into account (see Schäfer and Streeck 2013b, Lodge 2013). To analyse fiscal consolidation without also analysing the problem of revenue is to only analyse one side of the coin.

Furthermore, if fiscal consolidation encompasses more than just spending cuts, then the politics of austerity encompasses *more* than just fiscal consolidation. When compared to these other two words, we can begin to appreciate the complex meaning of 'austerity'. When David Cameron warned the country of an 'age of austerity' it did not *mean* the 'age of spending cuts' or the 'age of fiscal consolidation', but some have treated it as if they are all in and of the same thing. Austerity invokes a whole range of wider issues about morality and fairness – some of which this thesis has sought to analyse. On the basis of this thesis, I would suggest that austerity, as something distinct from spending cuts and fiscal consolidation, should be understood as the moral imperative to *live within one's means*.

Few political economists have yet recognized this distinction, even implicitly, and the subsequent analyses of spending cuts, fiscal consolidation and austerity are the weaker for it. For instance, when analysing these strategies political economists have seemingly assumed that moral and public justifications are used to obfuscate the true economic source or logic of the idea. This is apparent in Blyth's demolition of the

political economic logic of fiscal consolidation, whereby he treats ‘morality plays’ as superfluous to the economic theory and history of shrinking the state. This was also reflected in Lysandrou’s (2013) analysis whereby he successfully critiqued the economic theories that underpin fiscal consolidation. While admirable, this strategy can imply that the content of an economic idea is to be found by disregarding its obfuscating public justification to reveal its underlying economic logic and theory. However, I would suggest that they both are, to an extent, missing the target. There are good reasons in this specific case to possibly even reverse that logic and instead claim that if anything the economic justifications for austerity have been obfuscating the underlying moral content. From such a perspective, the idea of austerity is the moral imperative to live within means. Consequently, there is no coherent economic strategy of ‘austerity’, or any consensus on evidence that supports it. Just cut back and be responsible, like a household. This is why attempts at discrediting the ‘theory’ of austerity have not and will not work, because it has not really got one in the sense that Blyth and Lysandrou expect. In other words, fighting moral justifications with economic logic is not a guaranteed strategy for winning hearts and minds<sup>1</sup>.

<b>Table 8.1 Suggested definitional distinction</b>				
	<b>Sphere</b>	<b>Justification</b>	<b>Logic</b>	<b>Discipline</b>
<b>Spending cuts</b>	Government	Efficiency savings and welfare retrenchment	Bureaucratic	Political science / public administration

<sup>1</sup> As Stuart Hall puts it, albeit using a different conceptual apparatus, ‘ideology does not obey the logic of rational discourse’ (1988: 10).



<b>Fiscal consolidation</b>	State	Long term pressures on fiscal balance	Technocratic	Historical institutionalism / economics
<b>Austerity</b>	State and society	Living within means	Moral	Sociology / anthropology

This thesis has focussed in on austerity rather than fiscal consolidation or spending cuts because it is the least explored in the political economy literature. Although this thesis has at points examined the interconnections between these three areas, a fully interdisciplinary political economy will surely see its task to explore all three aspects equally in order to fully understand the politics of this period. Crucially, in doing so we can reduce the ambiguity over what austerity exactly is as surveyed in the Introduction chapter. Finally in regard to this second contribution, it needs to be noted just how contextually dependent this definitional distinction is. Although more research will need to be done in order to be conclusively sure one way or the other, instinctively I would suggest that this distinction is not only specific to the UK, but specific to the UK in this particular historical juncture – whereby (for instance) certain austere practical pasts have come to the fore (see Chapter 7). Thus, the contribution is not merely in the definitional distinction itself, but in showing how an alternative history of austerity (as opposed to fiscal consolidation) might be done.

The third contribution is methodological. Although the question of how and why ideas ‘work’ is almost certainly ultimately unanswerable in the whole, this thesis has presented a framework based on the mood of the times and legitimacy that offers a partial and one-sided analytical framework for exploring such dynamics.

Constructivism, in IPE and beyond, often makes conceptual claims that ideas must resonate with the mood of the times to be legitimate, but offers no clear method for analysing how this might be so. Everyday IPE, meanwhile, presents part of the means for achieving this by reconceptualising legitimacy as a ‘two-way street’. To fully bypass methodological elitism, I adapted a novel focus group method, which is underused in political economy scholarship. The focus group data made it possible to both accomplish this analysis and to generate many of the specific claims and arguments. This was incorporated into a method for researching the everyday politics of crisis, in which the mood of the times was disaggregated into a practical and applicable framework for analysis.

There is one further secondary and indirect contribution in addition to these three. In *Legitimation Crisis*, Habermas (1976) starts by arguing that a properly ‘scientifically useful’ concept of crisis must include both ‘system integration’ (i.e. objective) and ‘social integration’ (i.e. subjective) elements. Although an object-subject distinction does not fit the constructivist methodology I outlined, there is nonetheless some truth to Habermas’ claim. From his perspective I have clearly foregrounded the ‘subjective’ side of crisis over the ‘objective’, and thus reduced the analytical value of the concept and related framework. For this reason, the framework I have outlined for analysing crises might not be that directly useful for political economists. It may, however, be indirectly useful in providing the form of a ‘subjective’ over-correction to the tendency to distinguish between crisis disease and symptoms, and thus treat the latter as representational narratives rather than as constitutive of crises themselves. Although I admire Habermas’ aim to build a ‘scientifically useful’ concept of crisis, I fear that once analysis moves beyond abstract theorising and into empirical analysis the necessarily one-sided nature of explanation comes to the fore, thus rendering a

true integration of the objective and subjective sides only possible in principle and not in practice. In this thesis, crisis has been explicitly conceptualised as a means to an end rather than an attempt to theorise crisis *per se*. Consequently, there are no claims being made that this is *the* best way, in principle, to understand crisis, or that other political economists should adopt this framework because it is intrinsically superior. Nevertheless, there is a small wealth of literature that shares a commitment to understanding the discursive and political nature of crises (Baker 2013, Blyth 2002, 2013b, Brassett and Clarke 2012, Carstensen 2013, Hay 1996a, 2001, Jessop 2013, Langley 2010, Watson 2014, Widmaier 2004, 2010, Widmaier *et al.* 2007). By showing how crises can be understood as a threefold process of enactment, this thesis has made an indirect contribution to these frameworks.

### **Limitations and possibilities**

Focus groups were well suited to – and crucial for – the arguments and contributions of this thesis. As discussed in Chapter 3, part of the method involved building a sense of group identity by asking questions about the local area before moving on to the more relevant and interesting topics of austerity and the crisis. Although the participants knew that the aim of the research was to discuss austerity due to ethical requirements, the breadth and depth of the topics and themes covered was genuinely surprising to me. The limited facilitation approach was important in creating a ‘what we talk about when we talk about austerity’ feel. The participants’ talk subsequently drove the empirical parts of this thesis that led to an analysis that would have taken a very different form if methodological proxies were instead taken as a data source for accessing shared beliefs. Following the analysis of the elite enactment of crisis in Chapter 4, I envisaged that most talk would focus on contesting and disputing the role of Labour and Conservative parties as the ultimate villains. These categories were not

that meaningful to the participants. Indeed, there was not that much open and explicit dispute generally. This may have been a symptom of a method that encourages consensus, as participants may have been reluctant to go against the mood of the group discussion. This weakness is, however, also a strength for a project that has from the very beginning emphasised the importance of intersubjectivity over subjective experience and beliefs. This intersubjective underpinning is the main benefit of this method, and it is what made focus groups a very suitable method for this research.

While they have always been seen as a logical method for researching political disengagement (e.g. Marsh *et al.* 2007) and some other areas (e.g. Hopf 2002), focus groups are becoming increasingly popular in political science (especially critical security studies) from a broadly constructivist perspective (e.g. Jarvis and Lister 2012, Jackson and Hall 2013, Vaughan-Williams and Stevens 2013). This thesis forms a part of this wider move; political economy ethnographies, especially those that focus on everyday conceptions of how the economy (or polity) *ought* to work, are the next logical step. Yet, in the other direction, focus groups can also be used more conventionally as a precursor to quantitative research. By discovering the ways in which people believe the economy ought to work, experimental surveys could be designed in order to tease out potentially counter-intuitive and important findings about fiscal relations, redistribution and the normative order (e.g. Paler 2013). This would also help ensure that the potential pitfalls associated with qualitative analytical generality can be replaced with the more conventional quantitative statistical generalisation.

Another weakness is the exclusion of the media as a source of everyday sense-making. Gamson (1992), who has influenced the approach to everyday sense-making taken in

this thesis irredeemably, identifies the media, popular wisdom and everyday experience as the three most important sources in making sense of politics. Unfortunately, the limited resources and space of this thesis could not extend to include the media as a factor. Following this, it has been merely assumed that the media is influential. One limitation, however, of this compromise is that this thesis is unable to pinpoint in any meaningful fashion to what extent it is a potent source in sense-making. This is potentially problematic, since the right-wing tabloid press clearly plays a role in (amongst other issues) propagating the scapegoating of the undeserving poor as the unfair and immoral recipients of ‘taxpayers’ money’. Although excluding the media is far from ideal, it should be remembered that it is a well-documented fact that citizens taking umbrage at seemingly undeserving recipients of public money have existed for precisely as long as that form of redistribution has itself existed (Himmelfarb 1984, Seabrook 2013). The media is clearly responsible in some way for the intensification of these views in this particular juncture, but it is travelling down a road well travelled in British history. It would nevertheless be important in future to explore the role of the media in providing a cultural resource in everyday sense-making.

One unintended consequence of the puzzle posed in this thesis and the subsequent route taken is that it backgrounded what could be considered as the conventional political economy of fiscal consolidation or spending cuts. In regards to the former, since the UK received relatively little market pressure and has full monetary autonomy, fiscal consolidation had to be justified and legitimated through different means. Fiscal consolidation has followed a strange path in which one budget in 2010 – immediately following the election – made significantly more cuts and inflicted more pain than any of the others. Global financial markets play a role here, through

demanding consolidation not because of the potential economic impact (which will inevitably be negative) but as evidence of ‘credibility’ (Konzelmann 2014: 29). One harsh budget followed by mere tweaks fits this, as the imperative is not to solve the debt crisis *per se* but to instead *perform* a form of credibility. This credibility does not emanate from *actual* spending cuts, but from a sometimes-vague promise to ensure the books are balanced in the *future*. As long as this austere future appears credible, so too does the UK’s credibility with global capital and the Conservative party’s credibility with the electorate. This fiscal policy strategy seems to mirror changes in how monetary policy is enacted (see Holmes 2009). Future research would benefit from examining how this politics compares with the unfolding of austerity across the Eurozone, especially in cases in which spending cuts have been seemingly imposed in an undemocratic fashion. In terms of the politics of spending cuts, future research could involve updating and applying Pierson’s classic framework for understanding welfare retrenchment to the recent spending cuts. Future research may also look at the unequal distribution of spending cuts along gendered, ethnic and other lines.

Another limitation of the research has been the single-case research design. This research was driven by a desire to understand the dynamics of austerity specifically in the British case, but future research should build a comparative project based on some of the insights of this thesis in order to gain a more general perspective on the politics of austerity. One way in which this might be done is to build on some of the ideas discussed towards the end of Chapter 7, by analysing how redistributive or taxpayer ‘conflict’ (Polillo 2013) shapes the governance of fiscal consolidation across Europe. With the politicisation of deficits creating a scarcity surrounding public goods, social conflicts over the deservingness of different social groups as recipients of redistribution is increasingly scrutinised. In particular, existing social tensions about

‘undeserving’ others (such as immigrants, welfare recipients, or regions and populations) come to the fore, as taxpayers attempt to identify those groups they believe to be an unfair drain on public finances and thus the sources of state indebtedness. This contributes to a situation in which spending cuts, especially those geared at the undeserving, can receive relatively high support from populations when otherwise we might expect resistance. In addition to the UK, this future research could use a historical sociological method to trace how these conflicts in different fiscal spaces – such as the Eurozone and periphery-bailouts, and Denmark and immigration in addition to the UK – solicit the punishment of the poor in the name of living within means. These fiscal battles are crucial to making sense of the legitimacy and wider political economy of austerity in Europe.

Future research could also focus on enhancing our understanding of how the household analogy works in both the history of economic thought and in everyday sense-making. In regard to the former, orthodox economic thought has perhaps underpinned austerity through two prevalent myths. The first of these myths is that money and credit is generated through recycling the deposits of hard-working savers – which is part of the reason for which being indebted is seen as a moral fault. The recent Bank of England report on money creation (McLeay *et al.* 2014)<sup>2</sup> shows how this might be challenged (Graeber 2014). The second myth underpinning ‘sound finance’, less embedded in orthodox economic thought, is the notion that tax must be collected before the state can spend; thus suggesting that fiscal deficits are an intrinsically dangerous thing. The point is that the household analogy is more than just a crude and obfuscatory justification; it is also a constitutive part of the history of

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<sup>2</sup> ‘Money creation in practice differs from some popular misconceptions — banks do not act simply as intermediaries, lending out deposits that savers place with them, and nor do they ‘multiply up’ central bank money to create new loans and deposits’ (McLeay *et al.*, 2014: 14).

economic thought itself. In regard to the latter, it is important to test the household analogy as a cognitive heuristic. Political psychologists have recently argued that human cognitive heuristics developed to help negotiate prehistoric small-scale exchanges are used today in order to make sense of large-scale politics (Petersen 2012). It would be interesting to use psychological experimental methods to test whether the household analogy is another case of a small-to-big scale heuristic, in which an evolutionary heuristic to live frugally and within means is translated and extrapolated to the state level in which spending cuts may seem like a desirable response to a fiscal deficit. This research could be very important, as it could indicate or reject a *de facto* economic conservative bias in human sense making.

### ***Final thought***

David Cameron has received much ire for explaining that, to him, ‘we’re all in this together’ when it comes to taking the pain from spending cuts. On the Left, this has understandably been read as a disingenuous attempt to claim that fiscal consolidation will be equally borne by all those in society, in order to mask the disproportionate level of cuts that have impacted upon the relatively powerless and poor. An alternative reading of ‘we’re all in this together’, however, is possible given the argument here. While it is true that it does specifically invoke a societal image, it is perhaps not just a comment about taking the pain of the cuts, but instead also invokes a wider story: that we were all fallible and responsible, in different ways, for the pre-crisis excesses and now we must live within our means. This moral crisis of twenty-first century Britain is of households, of politicians, of welfare redistribution, of bankers, and of probably many more. Fiscal relations run through the veins of these disputes, which are politicised by the peculiar dynamics of debt relations invoked by the fiscal deficit. Whether taxes and redistribution reflect how many think the



economy ought to work is important when undertaking fiscal reform (including fiscal consolidation). Contesting and accepting norms relating to this, and, especially, how the resources from citizens should be collected and distributed is, in many ways, inseparable from moral questions about what ought to be done. These disputes and battles – and the interventions they legitimate – are what we mean by the everyday politics of the age of austerity.

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## Appendices

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### Appendix 1. List of speeches analysed

Note:

- Not all of these speeches are referred to directly in the thesis. Those speeches that are cited are also included in the bibliography.
- All of these speeches were downloaded from the Conservative party website, and were filed under the topic of “the economy” by either George Osborne or David Cameron. As was revealed in late 2013, many of these speeches had been not only removed from the Conservative website, but their cache version had also been blocked.

**1. ‘The State of Gordon Brown’s Economy’**

David Cameron, Monday, September 17 2007

*Speech at KPMG*

**2. ‘It’s Time for Aspiration’**

George Osborne, Monday, October 1 2007

*Speech to the Conservative Party Conference*

**3. ‘Working day and night for British industry’**

David Cameron, Thursday, November 15 2007

*Speech to the North East Economic Forum*

**4. CBI Conference**

David Cameron, Tuesday, November 27 2007

*Speech to the CBI conference*

**5. ‘Brown has failed to prepare Britain for tough times’**

George Osborne, Friday, January 11 2008

*Speech to the London School of Economics*

**6. Speech to Business leaders in Davos**

David Cameron, Thursday, January 24 2008

*Speech to the Barclays Capital Dinner at the World Economic Forum in Davos*

7. **‘The Principles of Tax Reform’**

George Osborne, Friday, February 15 2008

*Speech at Policy Exchange*

8. **‘There is a dependency culture’**

George Osborne, Thursday, February 28 2008

*Speech*

9. **‘On Fairness’**

George Osborne, Thursday, August 21 2008

*Speech to Demos*

10. **‘Response to the Chancellor’s Budget speech’**

David Cameron, Wednesday, March 12 2008

*Response to the Chancellor’s Budget speech*

11. **‘A Conservative Economic Strategy’**

David Cameron, Friday, March 28 2008

*Speech at a breakfast for senior city figures hosted by The City of London*

12. **‘Lessons from the credit crunch’**

George Osborne, Tuesday, April 8 2008

*Speech to Harvard University*

13. **‘An Alternative Vision for the Economy’**

George Osborne, Monday, April 14 2008

*Speech at Policy Exchange*

14. **‘Speech to BCC Annual Conference’**

George Osborne, Monday, April 28 2008

*Speech to annual conference of the British Chambers of Commerce in Liverpool*

15. **‘Britain needs a new economic dynamism’**

David Cameron, Tuesday, May 6 2008

*Monthly Press Briefing*

16. **‘Speech to the British Bankers Association’**  
George Osborne, Friday, June 13 2008  
*Speech to BBA at Mansion House*
17. **‘Speech to the CBI’**  
David Cameron, Tuesday, July 15 2008  
*Speech to the CBI*
18. **‘The PM has had his boom and his reputation is now bust’**  
David Cameron, Sunday, September 28 2008  
*Speech to Conservative party conference in Birmingham*
19. **‘We have work to do and a future to build’**  
George Osborne, Monday, September 29 2008  
*Speech to Conservative party conference in Birmingham*
20. **‘Together we will find a way through’**  
David Cameron, Tuesday, September 30 2008  
*Speech to Conservative party conference in Birmingham*
21. **‘Conference Speech 2008’**  
David Cameron, Wednesday, October 1 2008  
*Speech to Conservative party conference in Birmingham*
22. **‘UK taxpayer footing bill for boom that turned to bust’**  
George Osborne, Monday, October 13 2008  
*Response to statement from the Chancellor*
23. **‘The Conservative plan for a responsible economy’**  
David Cameron, Friday, October 17 2008  
*Speech to Bloomberg*
24. **‘Recovery through fiscal responsibility’**  
George Osborne, Friday, October 31 2008  
*Speech at the London School of Economics*
25. **‘We need economic change’**

- David Cameron, Friday, November 7 2008  
*Speech*
26. **‘Keep Britain Working’**  
David Cameron, Tuesday, November 11 2008  
*Press conference*
27. **‘The choice on borrowing’**  
David Cameron, Tuesday, November 18 2008  
*Speech*
28. **‘The Conservative approach to the recession’**  
David Cameron, Monday, November 24 2008  
*Speech to the CBI*
29. **‘Tackling the credit crisis’**  
David Cameron, Friday, November 28 2008  
*Speech*
30. **‘Fiscal responsibility and the recession’**  
David Cameron, Tuesday, December 9 2008  
*Speech at the LSE*
31. **‘A day of reckoning’**  
David Cameron, Monday, December 15 2008  
*Speech to Thomson Reuters*
32. **‘Queen's Speech Economy Debate’**  
George Osborne, Monday, December 15 2008  
*Speech to Parliament*
33. **‘Britain's Economic Future’**  
David Cameron, Monday, January 5 2009  
*Speech*
34. **‘Labour's Debt Crisis campaign launch’**  
David Cameron, Monday, January 12 2009  
*Speech at campaign launch in London*

- 35. 'Creating a new culture of financial discipline'**  
George Osborne, Monday, January 26 2009  
*Speech to Institute of Chartered Accountants*
- 37. 'We need popular capitalism'**  
David Cameron, Friday, January 30 2009  
*Speech at World Economic Forum in Davos*
- 37. 'A new banking settlement'**  
George Osborne, Monday, February 2 2009  
*Speech at Reform and the London Stock Exchange conference*
- 38. 'Taxpayers pick up the bill for Labour's irresponsibility'**  
George Osborne, Thursday, February 26 2009  
*Speech to Parliament*
- 39. 'A different vision for the economy'**  
George Osborne, Friday, March 6 2009  
*Speech in Birmingham*
- 40. 'We will make the hard long-term decisions'**  
David Cameron, Friday, March 13 2009  
*Speech in Birmingham*
- 41. 'Fiscal Responsibility with a Social Conscience'**  
David Cameron, Thursday, March 19 2009  
*Speech*
- 42. 'Policy making after the crash'**  
George Osborne, Wednesday, April 8 2009  
*Speech at the RSA*
- 43. 'Britain cannot afford another five years of Labour'**  
David Cameron, Wednesday, April 22 2009  
*Response to the Budget*
- 44. 'The age of austerity'**  
David Cameron, Sunday, April 26 2009

*Speech to Conservative party spring conference in Cheltenham*

45. **‘A New British Economic Model’**  
George Osborne, Tuesday, June 9 2009  
*Speech to the ABI annual conference*
46. **‘Economic priorities of a Conservative Government’**  
David Cameron, Monday, July 20 2009  
*Speech*
47. **‘Progressive reform in an age of austerity’**  
George Osborne, Tuesday, August 11 2009  
*Speech at World Economic Forum, Davos*
48. **‘The Conservative Strategy for the recovery’**  
George Osborne, Tuesday, September 15 2009  
*Speech to the Spectator's 'Paths Back to Recovery' conference*
49. **‘Labour are trying to rewrite economic history’**  
David Cameron, Wednesday, September 16 2009  
*Speech*
50. **‘We will lead the economy out of crisis’**  
George Osborne, Tuesday, October 6 2009  
*Speech to Conservative party conference*
51. **‘Tackling the deficit is not an alternative to economic growth’**  
David Cameron, Monday, November 23 2009  
*Speech to the CBI*
52. **‘Labour have failed to deal with the deficit’**  
George Osborne, Wednesday, December 9 2009  
*Speech to Parliament*
53. **‘Restoring Britain's economic reputation’**  
David Cameron, Friday, January 29 2010  
*Speech to World Economic Forum in Davos*
54. **‘A New Economic Model’**

- George Osborne, Tuesday, February 2 2010  
*Speech to journalists*
- 55. 'Mais Lecture - A New Economic Model'**  
George Osborne, Wednesday, February 24 2010  
*Annual Mais lecture*
- 56. 'We need change in the economy'**  
George Osborne, Tuesday, March 2 2010  
*Reuters.com Q&A session*
- 57. 'Small business can't afford another five years of Gordon Brown'**  
George Osborne, Friday, March 19 2010  
*Speech*
- 58. 'An empty budget'**  
George Osborne, Thursday, March 25 2010  
*Response to the Budget*
- 59. 'Tackling Britain's record deficit'**  
George Osborne, Monday, May 24 2010  
*Speech to the CBI annual dinner*
- 60. 'Transforming the British economy'**  
David Cameron, Friday, May 28 2010  
*Speech in Shipley, West Yorkshire*
- 61. 'We must tackle Britain's massive deficit and growing debt'**  
David Cameron, Monday, June 7 2010  
*Speech in Milton Keynes*
- 62. 'Our tough but fair approach to welfare'**  
George Osborne, Monday, October 4 2010  
*Speech to Conservative party conference*
- 63. 'Together in the National Interest'**  
David Cameron, Wednesday, October 6 2010  
*Speech to Conservative party conference*



- 64. 'We're building a better future for Britain'**  
George Osborne, Saturday, March 5 2011  
*Speech to Conservative party spring conference*
- 65. 'Building a better future'**  
David Cameron, Sunday, March 6 2011  
*Speech to Conservative party conference*
- 66. 'We have put fuel into the tank of the British economy'**  
George Osborne, Wednesday, March 23 2011  
*Budget speech*

## Appendix 2. Focus group participants

<b>Figure A2.1 Description of focus group participants</b>		
<b>Focus group A1. Kings Heath, Birmingham, May 2012.</b>		
<b>Name<sup>1</sup></b>	<b>Age</b>	<b>Occupation</b>
Paul	51	Agricultural researcher
Damien	47	English tutor
Denise	52	Teaching assistant
Maureen	52	Unemployed
Waheed	52	Unknown
Jerry	50	NHS manager
<b>Focus group A2. Sutton Coldfield, Birmingham, June 2012.</b>		
<b>Name</b>	<b>Age</b>	<b>Occupation</b>
Duncan	46	Banker
Kyle	50	Driving instructor
Linda	56	Housewife
Nicholas	51	Car trader
<b>Focus group A3. Solihull, Birmingham, July 2012.</b>		
<b>Name</b>	<b>Age</b>	<b>Occupation</b>
Sarah	52	Child-minder
Lucy	50	Part time sixth form lecturer / carer
Rachel	51	IT support at local college

<sup>1</sup> Names have been changed to ensure anonymity.

**Focus group A4. Moseley, Birmingham, July 2012.**

<b>Name</b>	<b>Age</b>	<b>Occupation</b>
Caitlin	48	Part time researcher and craftsperson
Mandy	60	Retired teacher
Michael	38	Broadcast journalist

**Focus group B5. Aston, Birmingham, September 2012.**

<b>Name</b>	<b>Age</b>	<b>Occupation</b>
Lynn	46	Community organiser
Felix	36	Unemployed / volunteer
Jo	20	Volunteer
Rose	42	Volunteer
Linda	N/A	Unknown
Shauna	40	Events / community work
Eric	58	Unknown
Poonam	N/A	Retired
Beemal	34	Unknown
Jill	27	Mother

**Focus group B6. Shard End, Birmingham, October 2012.**

<b>Name</b>	<b>Age</b>	<b>Occupation</b>
Joanna	N/A	Unknown
Louise	37	Unknown
May	46	Care worker

Jamie	18	College student
Yangun	18	Retail assistant
Jilly	30	Unknown
Jo <sup>2</sup>	20	Volunteer
Clare	N/A	Volunteer
Mary	77	Retired
Nicola	18	Student

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<sup>2</sup> This participant appeared in two focus groups.

### Appendix 3. Focus group area rationale and description

<b>Figure A3.1 Focus group breakdown</b>				
<b>Name</b>	<b>Date</b>	<b>No. of participants</b>	<b>Location, all in West Midlands (with postcode)</b>	<b>Average property value<sup>3</sup></b>
A1	May 2012	6	Kings Heath (B14)	£147,147
A2	June 2012	4	Sutton Coldfield (B72)	£241,081
A3	July 2012	3	Solihull (B90)	£226,423
A4	July 2012	3	Moseley (B13)	£210,109
B5	September 2012	10	Aston (B6)	£89,433
B6	October 2012	10	Shard End (B33)	£109,315

The locations for the A groups were selected in two clusters that are representative of different sorts of middle-income homeowners. I selected Sutton Coldfield and Solihull, areas outside the direct vicinity of Birmingham, because they have reputations as affluent and conservative suburban areas for commuters. For instance, Rachel (Focus group A3) described Solihull by telling the group how ‘my parents would come visit and always say what a beautiful place Solihull is, and leafy and green and looks quite affluent, y’know’. Interestingly, the Sutton Coldfield participants generally acknowledged the wealth within the area, but also pointed out how the area had slightly declined in comparison with other areas: ‘I always says Sutton used to be on a par with Solihull... And now it’s not. We’ve slipped ... away,

<sup>3</sup> Source: Zoopla Zed-Index. Based on first half of postcode of location of focus group discussion. Date of data: 1st February 2013. Only used for rough indication.

off the mark, I think' (Linda, Focus group A2). Moseley and Kings Heath, meanwhile, are neighbouring areas firmly within the city limits that also have reputations as affluent, but are also known for being more 'quirky' and less conservative. This was reflected too in the focus group discussions, where a few of the participants from these areas identified favourably with this reputation. The B groups, meanwhile, were selected primarily on the basis of access and their reputations as deprived neighbourhoods. Both Aston and Shard End are firmly within the city limits. The relative affluence of each area is reflected in the indicative average property values in Figure A3.1.

## **Appendix 4. Participant recruitment**

### **Recruitment method for A groups**

Getting random people into a room at the same time for up to two hours at once for the purposes of research is no easy task. In addition to offering incentives in the form of retail vouchers, this practical concern gave further weight (in addition to the assumption of intersubjectivity) to base the recruitment of the A groups by location. People might be more persuadable if they were content in the knowledge that to participate only involved a maximum 15-minute walk to a location they knew well. It is partly for this reason the A sub-groups were selected on the basis of different neighbourhoods that took place at community centres or similar.

As briefly discussed in Chapter 3, a database of potential participants living in these areas was compiled. This was done through using a combination of Google Maps and the Post Office to build a list of postcodes within roughly one mile of the location of the focus group (although it did ultimately depend on the area). Once a sufficient number of postcodes had been collated (with the sufficiency based on prior trial and error), I searched for each one on the electoral roll. Not everyone is publicly listed on the electoral roll, and not all of those that are make their address and telephone number public. Nevertheless, I compiled a spreadsheet of typically around a hundred of those that did list all this information. If I recognised the person or family listed, I did not include them.

I then phoned each 5<sup>th</sup> person of this list – done in this manner to avoid participants clustering around a particular postcode. This was an arduous process, and it took perhaps 20 telephone conversations (and numerous failed or unanswered calls) before I secured my first participant. Although I tried to avoid using a telephone script, the

general thrust of my pitch can be seen below. Participants were screened for suitability (e.g. whether they considered themselves a homeowner). I made sure I recruited at least five participants, but some people inevitably withdrew without providing any notice – hence some of the slightly smaller groups. Participants were then sent a follow up letter to confirm their attendance.

#### **A4.1 Telephone script**

Hi! My name is Liam, I'm a PhD student from University of Birmingham, would you mind if I borrowed just a couple of minutes to ask you about my research?

I'm doing some research into about what the public think about the austerity cuts to public services – and their experiences of this.

We're offering £20 gift vouchers to come along and discuss these issues as part of a focus group.

It would be with about 3 – 6 other people from the community and we would just ask you to reflect on what its like to live in [area] during times of recession and your opinions on the economy. For a £20 gift voucher.

I was just wondering if that might be something that interests you at all?



## A4.2 Follow up letter

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Liam Stanley  
POLSI  
Muirhead Tower  
University of Birmingham  
B15 2TT

[Name]  
[Address]  
[City]  
[Postcode]

[Date]

Dear [Name],

Thank you for accepting my invitation to come along and discuss your views on politics, austerity measures and the state of the economy. The focus group is part of a doctoral research project, which is funded by the Economic and Social Research Council, to investigate how members of the public discuss these issues. It doesn't matter if you do not consider yourself an expert on politics or the economy. I want to hear from everyone, including those who think they have an interest in the topic and those who do not. For these reasons your participation is vital, so thank you.

The group will be held at:

[e.g. Sutton Coldfield community hub]

[e.g. On Monday 25<sup>th</sup> June, from 7pm]

It will be a small group discussion, with around 5 other participants. We will provide refreshments and have a £20 Amazon.co.uk gift voucher for you at the end. [Sutton Coldfield community hub] is located right in the heart of the area on [Farthing Lane].

If for some reason you are unable to join us, please let me know as soon as possible so we can find a replacement. If you have any questions feel free to get in contact via email ([lx635@bham.ac.uk](mailto:lx635@bham.ac.uk)) or phone (07595038018).

With this letter you will find an information sheet, with some background about the research, and consent form. If you could please have a read of the information sheet and form and, if you're happy with the terms and conditions, sign the consent form to please bring along to the discussion on the day.

I look forward to seeing you on the [8<sup>th</sup>].


Best regards,

[signature]


Liam Stanley

Doctoral researcher  
Department of Political Science and International Studies  
University of Birmingham

## A4.3 Recruitment for B groups poster example



**birmingham  
settlement**  
developing communities, changing lives  
Charity reg no. 517303




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# Focus Group

## Come and Give **your** Opinion

**Do you feel part of a community?  
Do you get the support you need?  
How do you relate to  
Birmingham/England/the UK?**



Join a focus group and say what you think about how people and communities get on where you live. What positives are there? What problems are there?

Make yourself heard on issues about benefits, healthcare, and togetherness. How can your community or area be improved? Does the government help? How do you feel about the media?

**The Focus Group will be held on:**

**Thursday 20th September 2012**

**1.30pm until 3.30pm**

At  
**The Centre for the Aston Family:  
359-361 Witton Road, Aston, Birmingham B6 6NS  
Free parking facilities**

**PLEASE NOTE:** You will be required to sign a form consenting to the use of a voice recorder, and to the use of quotes in publications. **ALL PERSONAL DATA WILL REMAIN ANONYMOUS AND YOU DO NOT HAVE TO GIVE YOUR REAL NAME IF YOU DO NOT WISH**

Please Note: *Free £20 Marks & Spencer Gift Voucher for successful participants!*

To register and for more info please contact: Saqib Amin  
T: 0121 250 0764  
E: [saqib.amin@bsettlement.org.uk](mailto:saqib.amin@bsettlement.org.uk)

Website: [www.birminghamsettlement.org.uk](http://www.birminghamsettlement.org.uk)

## Appendix 5. Participant documents

### A5.1 Participant information sheet

#### Participant Information sheet

Research title: The everyday politics of the global financial crisis

Thank you agreeing to take part in this research study. However, for ethical reasons, it is important that you formally consent to take part. Subsequently, it is important for you to understand why the research is being done and what it involves so you can make an informed decision. Please take time to read the following information carefully, and if you agree to consent please sign the attached form and bring it along to the group discussion.

The main researcher for this project is Liam Stanley. He is your first port of call for any questions or enquiries. His details are listed below. Liam is being supervised by Dr. Stephen Bates, whose details are also listed below.

The purpose of the study is to investigate how members of the public discuss austerity measures, politics, and economics. Politicians are said to increasingly target 'Middle England' as a core constituency, so it is of academic interest how economic policies may have resonated with voters. It was decided that the best way to study this would be to conduct an initial series of 4 focus groups with homeowners from Birmingham. You have been selected, via the electoral register, as a potential participant because you fit these criteria. If you require any further explanation about the purpose of the research or the process of the interview prior to participating please seek further clarification from the researcher.

It is up to you to decide whether or not to still take part. You are free to withdraw at any time from the research without giving a prior reason. Part of the focus group discussion will involve participants elaborating upon their experiences of the global financial crisis. If you find discussing such experiences particularly distressing it is advisable to withdraw from the project.

The discussion will last approximately 90 minutes. The discussion will be recorded via a voice recorder. The researcher may also take notes. Once the research is complete, all participants will be sent a short summary of the research. In return for participating in this study you will receive a £20 gift voucher in return. If you decide to withdraw at any point prior to the discussion, you will be ineligible for the gift.

If you feel like withdrawing your data *after* the discussion has taken place then get in contact with the researcher Liam Stanley as soon as possible to arrange the redacting of your contributions. The deadline to do this will be two months after the discussion has taken place. After this date, it is likely that the data will have already been processed. Withdrawing your data at this point will not affect your gift.

All data will be treated as confidential. All names will be completely changed and no information that could identify you as a participant will be kept on record or published. This means that comments you've said may be used in publications. The data collected will be used primarily in the PhD thesis described above, but may also be used in related publications in academic journals based on the thesis research. Data may also be used in future research projects. Data will be stored digitally for ten years following the University's code of practice for research and will be password protected. Personal data will be processed for the purposes detailed above, in accordance with the Data Protection Act 1998 (for more information, see <http://www.legislation.gov.uk/ukpga/1998/29/contents>).

The research is funded by the Economic and Social Research Council.

After the discussion, the researcher can be contacted on:

Liam Stanley  
POLSI  
University of Birmingham  
B15 2TT  
[lx635@bham.ac.uk](mailto:lx635@bham.ac.uk)  
07595038018

Supervisor contact details:

Stephen Bates  
POLSI  
University of Birmingham  
B15 2TT  
[s.r.bates@bham.ac.uk](mailto:s.r.bates@bham.ac.uk)

Thank you.

## A5.2 Consent form

---

### Consent form

**Title of Project:** The everyday politics of the global financial crisis

**Researcher:** Liam Stanley – University of Birmingham, [lsx635@bham.ac.uk](mailto:lsx635@bham.ac.uk).

**Please tick**

1. I confirm that I have read and understand the information sheet for the above study and have had the opportunity to ask questions.
2. I understand that my participation is voluntary and that I am free to withdraw at any time prior to or during the focus group, or up to two months after the discussion, without giving reason.
3. I agree to take part in the above study.

**Please tick**

- |  | Yes                      | No                       |
|--|--------------------------|--------------------------|
| 4. I agree to the interview / focus group / consultation being audio recorded  | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. I agree to the use of anonymised quotes in publications   | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. I agree that my data gathered in this study may be stored (after it has been anonymised) in a specialist data centre and may be used for future research. | <input type="checkbox"/> | <input type="checkbox"/> |

Name of Participant

Date

Signature

Name of Researcher

Date

Signature

### A5.3 Incentive receipt form

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#### Research participant gift receipt

**Title of Project:** The everyday politics of the global financial crisis

**Researcher:** Liam Stanley – University of Birmingham, [lsx635@bham.ac.uk](mailto:lsx635@bham.ac.uk).

Participant name (please print): \_\_\_\_\_

I hereby certify that I received a £20 gift voucher in return for participation in the above research project.

Signature: \_\_\_\_\_

Date: 30/10/2012

## Appendix 6. Questioning route

### Opening gambit:

Good evening and welcome. Thank you for all taking the time to join me for this discussion about the recent austerity measures. My name is Liam, and I'm from the University of Birmingham. I'm conducting research into what members of the electorate think about austerity, politics and the economy – which is why you were asked to attend.

As we know, the Conservative-led coalition government have announced the biggest cuts in state spending since World War II, which have been justified on the basis that the state spends too much. One of things I'm interested in how austerity has been justified.

What I'm really interested in is what *you* think, and your experiences. As normal in politics, there are no right or wrong answers, and I expect that there will some different views. Please feel free to share your view even if it means you disagree. As I said, I'm interested in a wide spectrum of views.

So, if you want to follow up on something that someone has said, you want to agree, disagree, or give examples, then please feel free to do that. Disagreeing is absolutely fine, and friendly debate is more than encouraged. You don't have to answer every question. Having said that, I would like to hear from everyone at some point, so if someone is talking a lot I may ask for others' opinions.

We're taping the session to make sure we capture all the comments. In the research, no real names will be used, and I can guarantee anonymity. My role is to mainly listen – but also to prompt and guide the discussion. I'm interested in hearing from everybody in the group. OK great. So let's begin.

If you could please give me your name, what you do, and how long you have lived in the area for.

### Prompts<sup>4</sup>:

What's it like living in [the area]? [Introductory questions]

- Is it a good place to live?
- Would you recommend it to others?
- Does it have a particular sense of community?
- How do you think other people perceive it?

Will the austerity cuts make a difference to [the area]? [Transition questions]

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<sup>4</sup> Note: This was edited *after* the focus group discussions to reflect the sorts of questions actually asked.

- Will it make it a better or worse area?
- Are there any controversies about cuts to public services?
- Do you think anyone has benefitted from the global financial crisis? How have you been affected by austerity?

Do you think austerity cuts will make a difference to the UK as a whole? [Key questions]

- Will it make it a better or worse country?
- [Following discussion about ‘the mess’ the UK is in] What is ‘the mess’ we’re in?
- If you were an alien on Earth, would you guess that there has been a large recession and now a period of spending cuts?
- Some people argue that the government should focus on growth over austerity. What are your thoughts?

What’s the point in austerity measures? [Key questions]

- What do you think the majority of people would say the reason for austerity is?
- [Following discussion about the problem being debt] If the UK has lots of debt, then why? And who or what is to blame?

Is austerity necessary? [Ending ‘all-things-considered’ question]



## **Appendix 7. Reflecting upon the research process**

Looking back at research proposals produced towards the beginning of this study, it is clear how much the content of this research ended up deviating from how it was originally envisaged. Following the discourse analysis of Conservative speeches seen outlined in Chapter 4, I speculated internally that most focus group discussion would focus on contesting and disputing the role of the Labour and Conservative parties in the debt crisis. I never expected to have significant sections about the moral underpinnings of debt or about the deservingness of welfare claimants. In the end, the relative roles played by political parties in causing the conditions for spending cuts did not seem especially relevant to the focus group participants. This is anecdotal evidence, I think, of the clear benefits of the focus group method deployed – as a means to an end, as well as the benefit of merely being forced to look at political and economic change in a different way and seeing connections that were not as visible previously.

Like any method, focus groups also have limitations – both in general, and for answering the puzzle of this thesis. The method as employed with the analytical framework had a bias towards the middle-class (the A groups) over the more socially excluded (the B groups). The A groups were comparatively well-versed in the topics at hand, they were more familiar with the potentially strange setting of a focus group, and they felt comfortable in the presence of a university researcher. As Chapter 7 commented upon, this was reflected in the quantity and quality of data from the A groups. To overcome this I attempted to use data from B groups wherever possible, mostly as a way of supporting the claims made about the A groups. Most strikingly, the B groups also identified ‘the mess’ as a debt crisis, although they did not elucidate or problematise this in the same way. This bias is inevitably reflected in the analysis,

and the specific claims about the mood of the times – which have a middle-class tint to them, which is partly reflected in the specifics of the concept itself especially in regards to the first-past-the-post electoral system used in British general elections (see Chapter 3).

Another downside of the specific focus group method used in this thesis is the lack of analysis on the variegated experiences of gender and ethnicity in a time of austerity. This is problematic for the simple reflexive reason that in largely excluding questions of gender and ethnicity this research is, in principle, complicit in reinforcing undesirable power relations and the continued ostracism of marginalised experiences. This is regrettably in large part down to the specifics of the methodology and research design, and in particular the focus upon the sub-group as a unit of analysis. Recall how intersubjectivity represents one of the key assumptions in the research design: instead of accessing individual beliefs I am purporting to analyse collective norms from specific sub-groups. So while those sub-groups *did* of course include women and ethnic minorities as members both abstractly and specifically within the sub-groups, we cannot treat these experiences as representative of wider populations (of, say, women). Indeed, it would logically contradict the methodology outlined if claims were made about gender or ethnicity based on these focus group discussions. To remedy this, one would need to conduct separate focus groups with a specific sub-group of, say, middle-income Asians or female community volunteers. Since neither of these sub-groups reflected the research puzzle or question, and since resources did not stretch far enough to include them, these concerns were backgrounded in the research design.

Related to this issue of marginalised experiences is the equally important problem of how a certain coherence was imposed in the analysis. While I do not think I can go as

far as to say these focus groups presented a consensus of views on the topic at hand – something that is apparently relatively rare (Parker and Tritter 2006: 31) – there was nevertheless a lack of outright conflict and hostility. As evidenced by the lengths I went to in mentally preparing to calm down heated arguments that never emerged, this surprised me. Although I never instructed the participants to reach a consensus and (as the ‘opening gambit’ in the interview route shows) I actively encouraged discouragement, this should perhaps not be that surprising in hindsight. After all, this was a semi-public encounter between mostly strangers on the sensitive topic of political and economic values. It is a shame that potentially dissident voices may have been dampened, but this is at least consistent with the theoretical focus on intersubjectivity. The open rejection of the morality of debt was one counter example to this potential trend, but it cannot be denied that a level of coherence has been imposed upon the proceedings here in the name of analytical clarity.

The power relations inherent in academic interviewing situations and focus groups (Bloor *et al.* 2001: 7) were particularly asymmetric in the B groups. The A groups were mostly middle-class, mostly white, and mostly male (thus matching some of my characteristics) and seemingly at home with a University researcher using the sort of logics that are cognate with focus group research from their personal and professional lives. The B groups, in contrast, did not match these attributes. Consequently, I felt like more of an outsider looking in. While some recommend co-opting an alternative insider moderator (Smithson 2000: 110), this was never an option given my limited resources and understandable reluctance to place the data collection of my own thesis outside of my own hands. This power asymmetry was most apparent in the time after I had completed the B2 group. While continuing to talk after the official focus group had stopped, a couple of participants took the time to quiz me in a friendly manner

about where I came from, what I actually do, and where I live. Power asymmetries notwithstanding, this arrangement may have actually been beneficial for data collection. While it did mean that the focus groups were probably not the same form of sociable public discourse as the A groups, it did mean they possessed a form of confessional quality in which the qualities and pitfalls of these communities could be communicated and shared with someone in an institutional position of knowledge dissemination.

One further subsequent moment cemented my position as outsider in my mind. Following the B group, a couple of participants stayed around once everyone had left with the intention of speaking to me. They hinted that they were upset that I had only offered incentives to those actually attending the focus group discussions themselves, since some participants had themselves had to rely upon the in effect unpaid labour of friends for childcare just so that they could attend. Since I had not directly recruited the focus group participants myself, I was worryingly oblivious to this. In response, I made arrangements with the organiser to send a £20 voucher to the four people who had offered informal childcare. Although it robbed me of the chance to conduct an additional focus group – my research budget only ran to £1000 – it was clearly the right thing to do. The episode demonstrates the care required to avoid harming participants when conducting this sort of research.

Another key issue I grappled with throughout the research was the extent to which focus group discussions could be characterised as a form of everyday talk. To name something as everyday talk is, like most forms of characterisation, far from neutral. For it implies that the researcher will be accessing the sort of discussions that may happen in bars, at office water coolers, or over the family dinner table. Although I was originally keen to emphasise the everyday nature of the discussions, I soon came

to appreciate how there are a number of implicit but nonetheless important methodological implications of this. For one, viewing focus group discussions as everyday talk downplays the role of the moderator (which was in this case myself) in directing the course of discussions. Furthermore, it is, quite simply, not a very common form of everyday conversation in which people are paid to talk to (mostly) strangers about a specific topic for a long period of time (Myers 1998: 87). For these reasons, focus groups cannot truly be a form of everyday talk.

While this may well be the case, the flipside of this must involve questioning whether ‘everyday talk’, as a completely natural non-contaminated sociable conversation, is even a viable aim itself. Following Goffman (1990 [1959]), as I have at many points throughout this research, it is useful to introduce the difference between ‘backstage’ and ‘frontstage’ performances, in which there is no simple opposition between authentic and artificial social situations. While Goffman’s point is sometimes interpreted in the opposite way – that is, we have an artificial frontstage persona but a ‘real’ background personality we share with a very few close family or friends – one particularly persuasive interpretation is that people are constantly negotiating their identity in social interaction: they are performing their self-narratives and no one of these narratives is necessarily more or less authentic since they are context-dependent (Halkier 2010: 78). In this sense, the quest for uncontaminated and totally natural talk may be an impossible task, since upon a moment’s reflection we can perhaps realise that talking at the bar, over the water cooler or indeed the dinner table are not necessarily free of interactional and contextual constraints – it is just that those constraints differ from those found in focus group discussions (Hollander 2004: 605). For this reason, focus groups should not be characterized as a form of everyday talk,

but should instead be seen as ‘a social event that includes performances by all concerned’ that occur in ‘a specific, controlled setting’ (Smithson 2000: 105).

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