

Post-neoliberalism in Europe? How economic discourses have changed through COVID-19 pandemic

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ABSTRACT

La pandemia di COVID-19 sta influenzando le società contemporanee in modi complessi ed eterogenee. Questo lavoro si focalizza sull'economia, analizzando le trasformazioni causate dalla crisi pandemica nei discorsi degli esperti economici europei. Il contributo prende le mosse dalla teoria foucaultiana del *dispositivo* e distingue quattro livelli attraverso i quali il neoliberismo – sfruttando il sistema UE – ha influenzato le società europee negli ultimi decenni: *mondo economico*, *istituzioni*, *policy network* e *discorsi*. L'interazione tra i quattro livelli sarà analizzata e discussa a partire dall'analisi empirica del livello *discorsivo*. Prendendo come casi di studio i Country Report del Semestre Europeo 2020 e le Raccomandazioni UE sull'Italia, verranno individuate tre caratteristiche del discorso neoliberista dell'UE: *temporalità discorsiva*, *autorità discorsiva* ed *ethos discorsivo*. L'analisi discorsiva comparata di due documenti pubblicati tra i mesi di marzo e maggio 2020 mostrerà come lo shock esogeno causato dal Corona Virus abbia drasticamente cambiato il discorso degli esperti economici neoliberisti dell'UE. L'articolo prospetta la nascita di una “nuova normalità” nella sfera politica e politico-economica; un “nuova normalità” che potrebbe influenzare le prospettive future dei Paesi europei.

The COVID-19 pandemic is influencing contemporary societies in complex and multiple ways. This paper focuses on the economy via an analysis of the transformations of European economic expert discourses brought about by the corona crisis in 2020. The contribution starts from Foucault's theory of *dispositif* and distinguishes four levels on which neoliberalism was influencing European societies via the EU system in the last decades: the *world economy*, *institutions*, *policy networks* and *discourses*. While focussing empirical-

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ly on the *discursive* level, the interplay of all four levels is discussed and investigated. Taking the example of the European Semester 2020 “Country Reports” and “EU Recommendations” on Italy as case study, three features of these documents characterising EU neoliberal discourse are elaborated: *discursive temporality*, *discursive authority* and *discursive ethos*. A comparative discourse analysis of two documents published between March 2020 and May 2020 shows that corona as external shock has changed EU neoliberal economic expert discourse dramatically. The paper argues that a post-neoliberal “new normality” in the realm of economic policy and politics is emerging that could influence the future outlook of European societies.

Introduction

When Michel Foucault introduced the idea of economic governmentality, the social sciences received a strong analytical tool for analysing the discursive power of economic ideas from a discourse analytical viewpoint². This was probably one of the most important innovations to further develop Marxist analysis of cultural production after Gramsci, Althusser and Lacan³. While institutionalist approaches influenced by Max Weber’s sociology of social action typically focus on clear-cut ideas, strategically acting players and coherent institutional settings⁴, discourse analytical approaches following Foucault take into account the opacity and contextuality of symbolic forms as well as

² Cfr. M. Foucault, *The Birth of Biopolitics. Lectures at the Collège de France, 1978-1979*, Palgrave Macmillan, New York 2008.

³ Cfr. J. Maesse and G. Nicoletta, *Economics as Ideological Discourse Practice: A Gramsci-Foucault-Lacan Approach to Analysing Power/Knowledge Regimes of Subjectivation*, in «Journal of Multicultural Discourses», 2021; Y. Stavrakakis, *Dispatches from the Greek Lab: Metaphors, Strategies and Debt in the European Crisis*, in «Psychoanalysis, Culture & Society» 18(3), 2013, pp. 313–324; N-L. Sum and B. Jessop, *Towards a Cultural Political Economy: Putting Culture in Its Place in Political Economy*, Edward Elgar Publishing, Cheltenham 2013.

⁴ Cfr. P. A. Hall (ed.), *The Political Power of Economic Ideas: Keynesianism across Nations*, Princeton University Press, Princeton 1989; P. A. Hall, *Varieties of Capitalism and the Euro Crisis*, in «West European Politics» 37(6), 2014, pp. 1223–1243.

the hidden power structures at work in language use⁵. Especially the governmentality studies pointed to the way economic thinking is influencing entire societies⁶. In last years, the social studies of economics complemented this approach by focussing on the performative role of economics as a political tool for intervening into complex societies⁷.

Such a view on discourse and economics as instrument of power is particularly helpful to understand ongoing transformations of and within the European Union taking place after the Euro crisis (since 2009) and during the COVID19 pandemic (since 2020). While neoliberal economic expert discourses influenced European countries since the 1970s in manifold ways, in the last years neoliberalism reached an impasse and came under political, economic and cultural pressure: neoliberal solutions and receipts can no longer convince people, governments and experts, especially in times of crisis evoked by “external shocks”. While the Euro crisis in 2009 has only gradually questioned neoliberalism, the economic, medical, cultural, psychological and political consequences of COVID19 crisis since March 2020 has removed neoliberal ideas from public, political and administrative discourses – at least for the moment.

The aim of this paper is to analyse the discursive structures of the current post-neoliberal transformation process. Section 1 will briefly outline different levels of neoliberal influence. It will be explained how and why this paper makes a discourse analysis of EU economic policy papers. Section 2 makes a discourse analysis of the European semester, taking the EU “Country Reports” (published in March 2020) on Italy as a case study. Here, three features of the EU discourse structures of neoliberal normality are sketched out: a categorisation system constructed by discursive temporality, two competing discursive

⁵ Cfr. J. Angermüller, D. Maingueneau and R. Wodak (eds.), *The Discourse Studies Reader: Main Currents in Theory and Analysis*, John Benjamins Publishing Company, Amsterdam 2014.

⁶ Cfr. G. Burchell, C. Gordon and P. Miller (eds.), *The Foucault Effect: Studies in Governmentality*. University of Chicago Press, Chicago 1991.

⁷ Cfr. I. Boldyrev and E. Svetlova (eds.), *Enacting Dismal Science: New Perspectives on the Performativity of Economics*, Palgrave Macmillan, London and New York 2016; M. Callon, Y. Millo and F. Muniesa (eds.), *Market Devices*, Blackwell, Malden, Oxford and Carlton 2007; J. Maesse, S. Pühringer, T. Rossier and P. Benz (eds.), *Power and Influence of Economists: Contributions to the Social Studies of Economics*, Routledge, London 2021.

authorities and the ethos of technocracy. Section 3 conducts a discourse analysis of the “Council Recommendation” for Italy (published end of May 2020). It will be shown how the discursive structures changed, removing central traits of neoliberal normality discourse and establishing a new structure of “crisis discourse”. The Conclusion summarizes main results and discusses what it could imply to experience a post-neoliberal “new normality” in Europe. While neoliberalism seems to disappear on the discursive and institutional level through the corona shock, on the economic level the corona crisis is obviously deepening already existing inequalities and power asymmetries.

1. Approach: analysing neoliberal impacts in society

Neoliberalism has influenced global societies in different ways. Especially since the 1970s, these impacts unfold from various institutions such as IMF and World Bank⁸, through different channels such as finance and politics⁹, pushed forward by leading hegemonic countries such as UK, USA and Germany and propagated by economic experts and liberal-conservative politicians¹⁰. A brief look on how neoliberal ideas influenced different countries¹¹ quickly shows that “the” neoliberalism does not exist. The impacts, intensities and scope of neoliberal reforms changed from period to period, from sector to sector and from country to country. Whereas the UK and USA as well as many countries in Latin America experienced extensive deregulations, privatisations, financialisations, industrial outsourcings, tax cuts, and a further drift-

⁸ Cfr. R. Felder, *From Bretton Woods to Neoliberal Reforms: The International Financial Institutions and American Power*, L. Pantich and M. Konigs (eds), *American empire and the political economy of global finance*, Palgrave Macmillan, London 2008, pp. 175–197.

⁹ Cfr. M. Konings, *American Finance and Empire in Historical Perspective*, L. Pantich and M. Konings (eds.), *American empire and the political economy of global finance*, Palgrave Macmillan, London 2009, pp. 48–68.

¹⁰ Cfr. G. A. Epstein, *Financialization and the World Economy*, Edward Elgar Publishing, Cheltenham and Northampton 2005.

¹¹ Cfr. P. A. Hall (ed.), *The Political Power of Economic Ideas: Keynesianism across Nations*, Princeton University Press, Princeton 1989.

ing apart of high and low income levels from the 1970s onwards¹², many European countries faced a more or less “scattered” neoliberalism¹³. Some countries experienced a welfare state cuts, a decrease in wages, high-income-taxes, privatisation of state industries, phases of more and less intensive austerity and privatisation¹⁴. Other countries had only few and gradual neoliberal reforms while constantly suffering no fiscal policy in times of shrinking GDP growth and high unemployment, currency turbulences and declining state revenues. Yet, the resistance against neoliberal measures from time to time successfully stopped and reversed neoliberal reform initiatives in many European countries and regions.

After almost 40 years of uncoordinated neoliberal measures worldwide, the austerity programmes implemented during the Euro crisis until 2015 in different countries of the European south were probably the last “big wave” of neoliberal policy. Today, the results of decade-long neoliberal politics are manifold and they impact the capacities of all European countries to fight the economic, political, cultural and medical consequences of the corona crisis in a an alarming way. At the same time, more and more indicators made visible the deep crisis of neoliberalism: on the *mental and health level*, more and more people suffering the pressures of flexicurity, financialisation, austerity and precarity; on the *economic level*, all countries were enforced to respond to the world financial crisis in 2009 through measures that were no longer compatible with neoliberal dogmas; and on the *political level*, almost all parties (mainly from the centre right and centre left) who implemented neoliberal reforms lost support in elections, with dramatic consequences for the political culture in many countries and regions.

In order grasp the current changes in economic policy, we need a more complex model that helps us to understand the different levels on which ne-

¹² Cfr. R. Martin, *Financialization of Daily Life*, Temple University Press, Philadelphia, PA 2002.

¹³ Cfr. J. Jäger and E. Springler (eds.), *Asymmetric Crisis in Europe and Possible Futures: Critical Political Economy and Post-Keynesian Perspectives*, Routledge, London and New York 2015; S. Lehdorff, *Die Spaltende Integration Europas Ein Überblick*, S. Lehdorff (ed.), *Der Triumph gescheiterter Ideen in Europa – revisited Zehn Länderstudien*, VSA, Hamburg 2014, pp. 7–39.

¹⁴ Cfr. H. J. Bieling and D. Buhr, *Europäische Welten in Der Krise: Arbeitsbeziehungen Und Wohlfahrtsstaaten Im Vergleich*, Campus Verlag Frankfurt am Main, New York 2015.

oliberalism operates. From a dispositif analytical view¹⁵, neoliberal impacts should be analysed on different but interrelated levels in order to grasp the diversities, resistances, path dependencies and non-synchronicities of politico-economic transformations¹⁶. To illustrate this diversity, four different levels of neoliberal influence will briefly be distinguished (see Table 1), forming the contemporary battlefield over politico-economic development trends.

Frist, the *European economy* evolved in the last decades more and more according to a “centre, semi-periphery, periphery structure”¹⁷ with high-tech, high-income and economically powerful regions representing the centre, a broad semi-periphery acting as economic supplier to the centres, and a decoupled periphery with low income and low developmental opportunities. Here, socio-economic class divisions between bourgeois classes, middle classes, working classes and precarious classes obtain on a geographical form through an unequal geo-economic distribution of jobs, income opportunities, qualifications, industries, services and investments across European regions¹⁸. In this geo-economic structure, neoliberal initiatives influenced people’s live and future opportunities in a completely different way, producing economic profiteers and losers, forming dense urban bourgeois milieus, new petit-bourgeoisie/post-industrial proletariat coalitions as well as a precarious classes on the other side, with high taxation areas in the north-west of Europe and neoliberal low-tax states especially in the central-eastern countries of the EU.

¹⁵ Cfr. M. Foucault, *Power/Knowledge: Selected Interviews and Other Writings, 1972-1977*, Pantheon, New York 1980; J. Maesse, *The Euro Crisis Dispositif: Heterogeneous Positioning Strategies in Polycentric Fields*, C. Schmidt-Wellenburg and S. Bernhard (eds.), *Charting transnational fields: Methodology for a Political Sociology of Knowledge*, Routledge, London 2020b.

¹⁶ Cfr. B. Jessop, *The World Market, Variegated Capitalism, and the Crisis of European Integration*, P. Nousios, H. Overbeek, and A. Tsolakis (eds.), *Globalisation and European integration: critical approaches to regional order and international relations*, Routledge, London and New York 2012, pp. 91–111.

¹⁷ Cfr. J. Maesse, *The Discursive Political Economy of Europe: Hybrid Formation of Nationalist Populism through Economics*, in *DiscourseNet Collaborative WorkingPaper Series*, 3, 2020a.

¹⁸ Cfr. European Union, *Eurostat Regional Yearbook, 2018 Edition*, Luxembourg 2018; R. C. Pauli, *Boomstädte Und Schrumpfreionen: Das Auseinanderdriften Der Regionen Und Das Versagen Der Regionalpolitik in Der Eurozone*, 120, München 2020.

Next to this hierarchical “world economy”¹⁹ structure, political and economic institutions represent a second level of the neoliberal dispositif influencing European societies. Among the most important institutions, the Maastricht regime (EU accession criteria, Stability and Growth Pact, European Semester, Midterm Budgetary Framework etc.) emerged as an institution to enforce financial discipline in EU countries²⁰. Especially liberal-conservatives and “third way” social democratic parties used this institutional instrument as political “lever” to implement welfare cuts, layoffs, privatisations and other measures associated with neoliberalism since the 1990s. In addition to that, new institutions emerged supported the implementation of neoliberal reforms on the national level such as the financial rescue mechanism after the Euro crisis 2009 (EFSF, ESM, Memorandum). In contrast to US and UK neoliberalism, which were both connected to more or less *national* institutions, neoliberal reform initiatives in EU countries were mostly connected to European institutions interacting with national governments in order to delegate the moral and political responsibility for neoliberal reforms from the national level to the EU level²¹.

A third level of neoliberal impact can be found on the level of expert networks. As network analyses have shown, neoliberal economists became organised via transnational and trans-academic networks since the end of World War II²² (Mirowski and Plehwe 2015). The impact via networks takes place on the level of knowledge lobbying between universities, media, politics and related organisations. Here, not only discursive argumentations play a

¹⁹ The notion “world economy” does not mean that an economy is covering the entire world. It rather means that economic activities are related to world trade. Cfr. F. Braudel, *Civilization and Capitalism 15th–18th Century*, 1: *The Structures of Everyday Life*, 2: *The Wheels of Commerce*, 3: *The Perspective of the World*, Harper Collins, New York 1985.

²⁰ Cfr. O. Costantini, *Political Economy of the Stability and Growth Pact*, in «*European Journal of Economics and Economic Policies: Intervention*», 14, pp. 333–350, 2017.

²¹ Cfr. A. Moravcsik, *Warum Die Europäische Union Die Exekutive Stärkt: Innenpolitik Und Internationale Kooperation*, K. D. Wolf. (ed.), *Projekt Europa im Wandel*, Baden-Baden 1997, pp. 211–269.

²² Cfr. P. Mirowski and D. Plehwe, *The Road from Mont Pèlerin: The Making of the Neoliberal Thought Collective*, *With a New Preface*, Harvard University Press, Cambridge 2015.

major role²³ (Fitzgerald and O'Rourke 2016; Pühringer and Hirte 2015), also complex connections between economists constituted over generations exercise an on-going influence over economic policy ideas²⁴ (Ötsch et al. 2017). Through intensive empirical work, network analyses show how neoliberal ideas circulate across different institutions between politics, the media and academia and remain relatively constant over time. The strength of these studies is to show how neoliberalism as a certain style of thinking was institutionalised over decades.

<i>Level</i>	World economy	Institutions	Networks	Discourses
<i>Role/Function</i>	Geo-economic structure that regulates unequal distribution of economic, social and cultural capital between regions and social classes	Modalities of fixing and routinizing social practises over time in order to reduce contingencies and fix power relations	Social connection between experts, media, politics and businesses that regulates the circulation of ideas	Linguistic and cognitive structure of cultural artefacts (texts, signs, pictures, gestures etc.) that regulates interpretation processes between actors and institutions
<i>Example</i>	EU economy, supply chains, distribution of labour and capital	EU treaty	Economic experts in organisations	Country Report

Table 1: Levels of neoliberal dispositif

²³ Cfr. J. K. Fitzgerald and B. K. O'Rourke, *Legitimising Expertise: Analysing the Legitimation Strategies Used by Economics Experts in Broadcast Interviews*, in «Journal of Multicultural Discourses» 11 (3), 2016, pp. 269–82.

S. Pühringer and K. Hirte, 'The Financial Crisis as a Heart Attack: Discourse Profiles of Economists in the Financial Crisis', in «*Journal of Language and Politics*», 14 (4), 2015, pp. 599–625.

²⁴ Cfr. W. O. Ötsch, S. Pühringer and K. Hirte, *Netzwerke Des Marktes: Ordoliberalismus Als Politische Ökonomie*, Springer, Berlin 2017.

Finally, neoliberalism also operates on the formal-discursive level. This level regulates interpretation processes taking place within a discursive political economy at the interface of various fields such as science, politics, media and the economy²⁵ (Maesse 2015). Discourses are not identical with ideas, and they cannot be detached from institutions and the world economy. Yet, the way discourses promote neoliberal influences differ because discursive structures don't explain *which* ideas circulate, they rather explain *how* ideas – manifested in policy documents and other texts – can be interpreted. This paper argues that three types of discursive structures are fundamental for making economic expert discourses a political tool: temporality, authority and ethos/subjectivity.

a) *Discursive temporality*: discourses always create a “here” and “now” position. This is important to understand how the speaker of a discourse locates their point of view in the enunciated historical time (which is, of course, a discursive construction and must not be confused to “historical” time or GMT). In economic expert discourses, historical temporality is a strategic resource for evaluating the past, criticising the government/opposition and presenting a policy programme for the future. In such deictic positionings, images of “good” and “bad”, “successful” and “failed” actors in politics are created. As we will see in the next section, discursive temporality creates in EU economic policy discourses a horizontal and vertical “space of valuation”.

b) *Discursive authority*: in discourses speaker always act in the name of particular authorities. Here, I use Lacan's idea of the “big Other” which is a discursive figure that can provide actors with different forms of legitimacy. Legitimacy, authority and other forms of status are relevant strategies in political discourse to anchor justifications within the socio-symbolic universe. Economic ideas are always presented in the name of somebody else, especially in democratic discourses. As we will see in the next sections, these discursive authorities normalise and naturalise economic ideas through “implicitness”.

c) *Discursive ethos/subjectivity*: discourses always operate with forms of subjectivity. This is important for understanding ethos as a modality that makes

²⁵ Cfr. J. Maesse, *Economic Experts: A Discursive Political Economy of Economics*, in «Journal of Multicultural Discourses», 10(3), 2015, pp. 279–305.

the subjectivity of politics and expertise accessible to diverse audiences. Ethos or subjectivity supports the relationship of the speaker to the symbolic authorities and it helps to make the “here and now” position plausible to the audiences. In the next sections, we will see how the “technocracy” ethos of EU economic policy documents changes through the appearance of “corona crisis”.

In the following sections I will show how EU economic policy discourse operates. The main institution is the so called “European semester”. The European semester was introduced in 2011 and it combines macroeconomic analysis with budgetary planning. It consists of four steps: in January, the EU commission presents an annual economic growth report (“Annual Growth Survey”) for the entire EU; in March, the European Council agrees on the main measures to be taken; until April, all member states present their “stability and convergence programmes” (as a report) for their annual budgets; these are the basis for the country specific reports (“Country Report”) made by the EU commission and agreed by the ECOFIN (Council of all EU finance ministers); in July, the Council publishes country specific recommendations (“Council Recommendation”). These recommendations are optional for each country’s budgetary plans. Yet, since the European semester is part of the Stability and Growth Pact, in fact, only those countries which meet the so called “Maastricht criteria” (60% debt by GDP and 3% annual debt per GDP) can afford to ignore the EU recommendations. But countries with a high level of public debts, and especially those facing a “deficit procedure”, cannot easily ignore the Country Recommendations. Therefore, EU economic policy documents have a slightly different impact on so called “indebted” countries that faced a deficit procedure in the recent years such as France, Belgium, Slovakia, Finland, Italy, Slovenia, Portugal or Spain. The main reason for this bizarre situation is the neoliberal tendency manifested within the EU institutions as they emerged in the 1990s: while member states can be punished for high levels of public debts, they cannot be forced to implement fiscal policy (public investments) and make sure high levels of private and public consumption (through public expenses and increasing wages, for example). This conflict is mainly manifested in an opposition between so called “northern countries” (such as Germany, Austria, Netherlands) and so called “southern countries” (such as France, Spain, Italy).

Yet, the neoliberal tendency of the EU institutions does not automatically imply that economic reports (discourses) lead to an implementation of neoliberal

policies in member states; nor do they determine how discursive structures of policy documents is designed. Rather, this entire institutionalised procedure produces a couple of economic expert reports, which have different political, administrative and institutional meanings for different EU countries. In the next two sections, I will analyse the discursive structure of two of these reports from 2020: the “Country Report Italy” from March 2020 and the “Council Recommendation” published end of May 2020. I take Italy as a case study because Italy is constantly facing a deficit procedure, and a weakening of neoliberal impacts from the EU would change the situation of the Italian political economy enormously.

2. Neoliberalism in the EU: the discursive logic of the “European Semester”

The “Country Report Italy” from March 2020 is a typical example of the discursive structure of neoliberal “normality” as it is manifested within EU documents. The entire document covers almost all aspects of Italy’s economy including topics such as work and unemployment, GDP and growth, budget, taxation and debts, innovation, technology and competition, climate change and sustainable development, gender participation, migration, inequality, income and so forth. The entire report covers 91 pages and discusses many aspects of the Italian economy based on the prior discussions and prioritisations (see procedure of the European Semester). Based on small excerpts from this document, I will illustrate the main elements of EU document’s discourse structure. I analyse and present these discourse characteristics in order to show in the next section how the corona crisis has changed the discourse structure of neoliberal normality of Maastricht-EU.

2.1. Discursive temporality: constructing a vertical and horizontal space of economic evaluation

In a first step, I will show how “discursive temporality” is organised in EU economic policy documents. In the following excerpt, I have highlighted in yellow colour those discourse markers that evoke a timeline.

Facing a weak macroeconomic outlook and the challenge of ensuring sustainability, lifting productivity and potential growth is key to reducing Italy's public debt ratio and unwinding its macroeconomic imbalances.

Figure 1: horizontal temporality (present and future)

The example is taken from the first page of the “executive summary” that is the starting point of the report. In Figure 1 we see how two points on the timeline (present and future) are realised by using the verbs in present progressive: “facing”, “lifting”, “reducing” and “unwinding”. This implies standpoint taken by the discourse speaker in the present and watching to the future. Here, a line is drawn where various “economic challenges” become visible (i.e. “weak macroeconomic outlook”, “productivity” etc.) and can be located, on the timeline, at different distances from the deictic point of the speaker “here-and-now” (present).

Italy has made some progress in addressing the 2019 country-specific recommendations⁽²⁾.

Figure 2: horizontal temporality (present and past)

More interesting is how the “past” enters the discourse, as we see in Figure 2. Here, the discourse makes a reference to the past by naming an institutional fact (“2019 country-specific recommendations”) and by placing an actant (“Italy”) to that entity in relation (“made”). What we see here is a simple but fundamental timeline constructed around the institution of the EU economic semester (“2019 country-specific recommendations”), economic “challenges” (present) and a future perspective (finding a solution for these challenges). Now, the horizontal timeline is realised and related to an institutional system.

There has been *some* progress in:

i) ensuring that **active labour market and social policies** are effectively integrated and reach out to vulnerable groups; ii) focusing **investment-related economic policy on research and innovation** and the **quality of infrastructure**; iii) making the **public administration** more effective; iv) **fostering bank balance sheet restructuring**; v) improving **non-bank financing for smaller and innovative firms**.

Figure 3: vertical temporality

Subsequently, based on this “horizontal timeline”, a “vertical system” of categories can be constructed, as Figure 3 shows. Here, a couple of topics are enumerated that can be evaluated, discussed, analysed and criticised throughout the entire report (“active labour market” etc.). This horizontal and vertical system made possible by discursive temporality is the basic discourse structure of the EU economic normality, independent of neoliberal or socialist or Keynesian or whatever orientation. It is the basic structure of the EU economic discursive categorisation apparatus making possible to see, value, propose, reject, emphasis or criticise economic measures, policies, facts and so forth. Next to this basic structure, additional elements must be introduced to in order to transform the basic economic expert discourse into a neoliberal discourse structure.

2.2. Competing authorities: “GDP” vs. “debts”

A second element that typically characterises the EU neoliberal discourse structure is the construction of two “economic authorities” which are in constant struggle. These are authorities for two reasons: first, they represent different social values, have different economic implications and they are differently attached to competing economic theories, and second, they impact other economic subcategories in a primary argumentative way as “if a, then b”

(i.e. “if GDP growth, then unemployment declines”). Thus, throughout the document’s subtopics such as “unemployment”, “productivity”, “innovation”, “taxes”, “wages” and so forth, two entities constantly emerge which seem to be on overall importance for evaluating the Italian economy: “GDP” and “debts”. General Domestic Product (GDP) is a macroeconomic indicator for annual wealth production of an economic entity (in our case the national economy of Italy). Economic analyses assume that many other economic entities such as wages, employment rate, taxes, competitiveness and so forth directly depend on the level of GDP growth. One can say that GDP is the most important core category in standard macroeconomic analysis. On the other hand, “debts” usually refers to the amount of existing debts and new bonds to be issued in the future in order to refinance a country’s national budget. Through this discursive authority, neoliberal theory enters the discursive scene because the debt rate is defined in the EU treaties since Maastricht and countries with a high indebtedness rate can become subject to “deficit procedure”.

Weak nominal GDP growth and a worsening primary balance are expected to cause an increase in the government debt-to-GDP ratio.

Based on the Commission 2019 Autumn Forecast, the government debt-to-GDP ratio is expected to have increased in 2019 by 1.4 percentage points. The real implicit cost of debt is set to have marginally increased due to an upward level shift in sovereign yields observed between May 2018 and July 2019, while real GDP growth has declined to close to zero. The positive and widening difference between the two indicators leads to a large and debt-increasing “snow-ball” effect. Furthermore, a lower GDP deflator is expected in 2019 and the government primary balance is projected to have declined as a share of GDP by 0.2 percentage points. In 2020 and 2021, the “snow-ball” effect, although still debt-increasing, is set to progressively shrink, thanks to recovering real GDP growth and a declining real implicit cost of debt. The GDP deflator is also

Figure 4: conflicting discursive authorities

As we see in the excerpt in Figure 4, taken from Chapter 4, page 26 of the report, introducing the recommended “reform priorities”, “GDP” and “debt” are in constant interaction. They work as authorities, “allowing” or “restricting” other categories such as income, public expenditures or taxes to unfold or not. More importantly, they influence each other: high GDP growth rates allow more public income via taxes and less expenses for welfare programmes; on the other hand, an increase of public debts can accelerate GDP growth. Thus, both categories operate in EU economic expert discourse, and, as discursive authorities, they create a field of conflict over the direction of economic policy. Especially for countries with high indebtedness rates prefer fiscal measures (public investments in infrastructure, increasing wages, lower taxes etc.) in order to stimulate GDP growth; but due to debt limits determined by the EU treaties (Stability and Growth Pact), countries cannot raise money for that via government bonds in order to refinance fiscal measures. In the EU discourse logic, GDP and debts very often appear as rivals and not as entities that support each other, as the following logic explains (which can be seen as the “EU neoliberal discourse formula”): *if your GDP growth rate is high, you don't need fiscal measures and therefore no additional debts; BUT: if your GDP growth is low, you need fiscal measures and therefore no additional debts, but you cannot because most countries with low GDP rates have high indebtedness rates.* This “rivalry” between these two discourse authorities is not naturally anchored in any economic theory and discourse. In principle, they can act in any other constellation; they can act “in harmony” supporting each other, and they can also act as “subcategories” or other “equal categories” and not as authorities. Yet, the EU neoliberal discourse is special as they act as authorities and as rivals simultaneously.

2.3. *Ethos of technocracy*

A third feature that characterises EU neoliberal discourse is what we can call the “ethos of technocracy”. In order to illustrate how discursive ethos is constructed by EU policy papers, we take again an excerpt from the executive summary (page 1) of the “Country Report Italy”.

Facing a **weak** macroeconomic outlook and the challenge of ensuring sustainability, lifting productivity and potential growth is **key** to reducing Italy's public debt ratio and **unwinding its macroeconomic imbalances**. Implementing **ambitious** structural reforms and **prudent** fiscal policies, and **well-targeting** investments would support Italy's digital and environmental transformation, **ensuring** sustainable growth. As a matter of priority, a revived reform

Figure 5

As we see in the discourse markers highlighted by yellow colour, this ethos is evoked by gesture of “smart”, “cautious” and even “non-valuating” evaluations. These evaluations allow a speaker to appear, in the eyes of a middle class, well educated person, construct around the image of a professional who does not intervene into a discourse with her/his own opinion. Based on expertise, facts and solid methods, the EU technocrat only “reports” what is well justified in professionalism, science and law. Against this background, technocratic evaluations “reserved” and “un-emotional” but nevertheless “pointing” to a “respectable” degree to the “problems”, “achievements” and “challenges” of a member state’s economy. Thus, the ethos of technocracy always preserves a particular system of categories, maintaining the legitimacy of a certain style of discourse and stabilising, via the ethos, the underlying institutional system of EU governance.

3. What has changed through corona?

Whereas the “Country Report Italy” was published before the corona virus arrived Europe and Italy, the “Council Recommendation” was published at 20 May 2020, at a moment when the pandemic was officially recognised as a “crisis”. In the following analysis I will present excerpts from the “Council Recommendation”. Normally, the “Council Recommendation” is a regular part of the European Semester (see Section 1) and the economic measures

recommended here follow directly from the diagnosed “problems” of the Country Report were Italy was seen as “high-indebted, low GDP-growth” economy. This diagnosis and the subsequent recommendations are now removed. But this removal does not appear through the established discourse structure, embedded by the institutional system of the European Semester. As we will see in the discourses analyses below, all discourse structures change and a new discourse apparatus emerges. Yet, the collapse of the discursive structure of normality through crisis is not simply a collapse (as negativity and disappearance of positivity). On the contrary, the crisis management system that we will analyse below has a discursive structure (as positivity) on its own.

3.1. New temporality: how COVID has changed the deictic apparatus

Here, again, we start with the first paragraph of the policy discourse. At first, the report starts on paragraph (1) with the standard discursive temporality, as Figure 6 shows.

- (1) On 17 December 2019, the Commission adopted the Annual Sustainable Growth Strategy, marking the start of the 2020 European Semester for economic policy coordination. It took due account of the European Pillar of Social Rights, proclaimed by the European Parliament, the Council and the Commission on 17 November 2017. On 17 December 2019, on the basis of Regulation (EU) No 1176/2011, the Commission also adopted the Alert Mechanism Report, in which it identified Italy as one of the Member States for which an in-depth review would be carried out. On the same date, the Commission also adopted a recommendation for a Council recommendation on the economic policy of the euro area.

Figure 6: EU standard temporality

Here, we see again how the discourse creates a timeline by referencing to the institutional apparatus of the European Semester, as indicated by the yellow highlighted marks. But soon, at paragraph (3), the discursive temporality structure changes dramatically.

- (3) On 11 March 2020, the World Health Organization officially declared the COVID-19 outbreak a global pandemic. It is a severe public health emergency for citizens, societies and economies. It is putting national health systems under severe strain, disrupting global supply chains, causing volatility in financial markets, triggering consumer demand shocks and having negative effects across various sectors. It is threatening people's jobs, their incomes and companies' business. It has delivered a major economic shock that is already having serious repercussions in the European Union. On 13 March 2020, the Commission adopted a Communication⁵ calling for a coordinated economic response to the crisis, involving all actors at national and Union level.

Figure 7: COVID19 as discursive “event”

In EU this economic policy report, the standard temporal structure ruptures evoked by two discursive markers. First, the yellow coloured dates mark an “event” induced by a date. This can be seen as a “bureaucratic” discourse marker, typical for a technical discourse. This event is not simply the moment when COVID-19 emerges, it is rather the indexical entity that introduces a new discursive as well as institutional system: now, the regular process of the European Semester stops, and everything said, claimed, argued, diagnosed and recommended via the economic categorisation system (see Section 2.1) is no longer valid and can be re-examined now. A completely new situation emerged seen as dramatic enough to suspend the heart piece of EU neoliberal tendency: the so called Maastricht criteria. Second, the event is obviously not able to explain and legitimise itself. Rather, next to the event, an institutional authority is named responsible for the legal validity of the “event”, marked with a green line. Through these discursive elements, a new temporality emerges with the “event” of the crisis at the centre of the deictic apparatus. Now, everything must be said with reference to this deictic moment: “here, now = the crisis”. All economic measures will now be legitimated with respect to this deictic entity.

3.2. New authority is approaching: suspending the conflict by a new “god” (crisis)

Interestingly, the “crisis” is not only the deictic element in the EU-corona discourse. It becomes a new authority as well. This is best be illustrated by the excerpt from paragraph (13) in Figure 8.

- (13) In response to the **COVID-19 pandemic**, and as part of a coordinated Union approach, Italy has adopted **budgetary measures** to increase the capacity of its **health system**, contain the **pandemic**, and provide relief to those **individuals and sectors** that have been particularly affected. According to the 2020 Stability Programme, those budgetary measures amount to 4,5 % of GDP in 2020. The measures include strengthened **healthcare** and **civil protection**, extended **wage supplementation** schemes and **financial support** to self-employed persons and firms. In addition, Italy has introduced **measures** that, while not having a direct budgetary impact, will contribute to support **liquidity to businesses, including tax deferrals and loan guarantees**. Overall, **the measures taken by Italy are in line with the guidelines set out in the Commission Communication on a coordinated economic response to the COVID-19 outbreak**. The full implementation of those measures, followed by a refocusing of **fiscal policies** towards achieving prudent medium-term fiscal positions **when economic conditions allow, will contribute to preserving fiscal sustainability in the medium-term**.

Figure 8.

As we see in green colours in sentence 1 and 2, signs such as “COVID-19 pandemic”, “pandemic”, and similar formulations are now functioning as argumentative authorities. It is fascinating to see that all measures, marked here in yellow colours, are directly connected to the new authority. For example, “wage supplementation” is not explained with a standard macroeconomic argument (namely, increasing domestic demand), it is rather seen as response to the pandemic. The new discursive authority operates like “super master signifier”, a kind of “discursive god” that allows almost everything to appear. Almost all measures enumerated here (in yellow) were seen as impossible under the neoliberal discourse and the “debt” authority. Interestingly, even the former discursive authorities (marked blue in sentence 2 and green in the final sentence) are integrated as equal elements equivalent to all the other measures. Thus, their superior status as authorities disappeared under the discursive impact of the new super authority. This suspension of the former discourse structure (and, probably, institutional and ideological system of neoliberalism as well) is finally confirmed via a bizarre statement, highlighted in purple: namely, that the collapse of the “former system” (EU-Maastricht-neoliberal) will contribute to come back to this very structure when “economic conditions allow”. Through this statement, the EU discourse seeks to mark, on the timeline, a state when the timeline itself would end, thereby establishing the new timeline of the new crisis discourse. This discourse strategy allows us to conclude that a “state of economic exception” in the EU controlled by a new master signifier is not only declared but, at least gradually, institutionalised.

3.3 The “hysteria” of technocracy

Finally, the style of valuating economic entities and events has changed. While the typical evaluation modality of EU policy papers is characterised by a “smart” and “cautious” gesture, now a much more “dramatic” and even “hysterical” style can be found, as the excerpt below illustrates.

- (3) On 11 March 2020, the World Health Organization officially declared the COVID-19 outbreak a global pandemic. It is a severe public health emergency for citizens, societies and economies. It is putting national health systems under severe strain, disrupting global supply chains, causing volatility in financial markets, triggering consumer demand shocks and having negative effects across various sectors. It is threatening people’s jobs, their incomes and companies’ business. It has delivered a major economic shock that is already having serious repercussions in the European Union. On 13 March 2020, the Commission adopted a Communication⁵ calling for a coordinated economic response to the crisis, involving all actors at national and Union level.

Figure 9: from “distanced evaluation” to “emphatic investment”

In Figure 9, I have underlined green those discursive markers (mainly adjectives), which are used to evaluate economic entities (i.e. “global supply chains”, “jobs”) and related units (i.e. “citizens”). It is relatively conspicuous, even in times of crisis, to find relatively drastic evaluations such as “disrupting” or “threatening” in technical discourses. These sharp formulations make the image of a speaker visible that is getting distressed, is losing their way and their composure. The technocratic subject seems to fall into panic and becomes somehow “hysterical”. At the same time, the technocratic style of the entire discourse remains intact, but reaches to a certain limit. Here, again, the discourse is no longer formed by two conflicting authorities but is mainly controlled by a master signifier “crisis”, “pandemic” or “COVID-19”.

Conclusion: the post-neoliberal “new normality” between old and new structures

The aim of this paper was to show how a post-neoliberal order and discourse logic emerged through an external shock of the corona crisis in the realm of eco-

conomic expert discourse. These traits of a post-neoliberal transformation do not imply that a future post-neoliberal economic and political order will be more socially responsible, ecologically sustainable or will promote economic equality. It does neither mean that neoliberal politics will not come back when the end of crisis is somehow declared. Moreover, the corona crisis has the potential to pave the way to a society of control, paranoia and intensified exploitation, covering the global centres of capitalist production from the peripheral regions and handing over the latter to all sorts of climate, social and health catastrophes and violence. Yet, we nevertheless observe a couple of post-neoliberal transformations taking place at different levels, and the possible socio-economic consequences of these transformations are not yet clear.

In Table 1, Section 1, I have distinguished four levels of the neoliberal economic dispositif: 1) Europe as a world economy, 2) institutions, 3) networks/policy ideas and 4) discourses. The post-neoliberal change appeared, first of all, on the level of economic policy ideas (3), predominantly through the suspension of the Maastricht deficit criteria as well as through the many European fiscal packages that were set up to manage the crisis since March 2020. Both measures were not made in the financial crisis since 2009 and both were unthinkable before March 2020. After the gradually successful management of the Euro crisis, the EU seemed to move back to the old pathway of neoliberal fiscal management. Now, we see a 180-degree turnaround in economic policy, resorting to more or less classical Keynesian ideas such as public investments, stimulus measures, job market protection policies and social programmes. This shift away from neoliberalism cannot only be experienced on the level of economic policy (Table 1, 3). As the discourse analysis of two documents from the European Semester 2020 have shown, the corona pandemic has clearly changed the neoliberal discourse structures in Europe (Table 1, 4). As Table 2 shows, almost all main structural elements characterising EU neoliberalism in policy documents have changed.

Discourse characteristic	<i>Temporality</i>	<i>Authority</i>	<i>Ethos</i>
Old	Institutional timeline	Two competing authorities	Technocracy
New	Crisis deixis	Master signifier	Hysteria

Table 2: discursive change in EU policy documents

In addition to transformations on the discursive level of European Semester documents, the institutional logic (Table 1, 2) of the European Semester also changed. First, it changed by modifying the process between the Country Report and the Recommendation as well as by the suspension of the Maastricht Criteria. Second, the process structure of the European Semester 2021 cycle also changed due to corona, as the European Commission illustrates with Figure 10.

Aligning timing: 2021 European Semester cycle

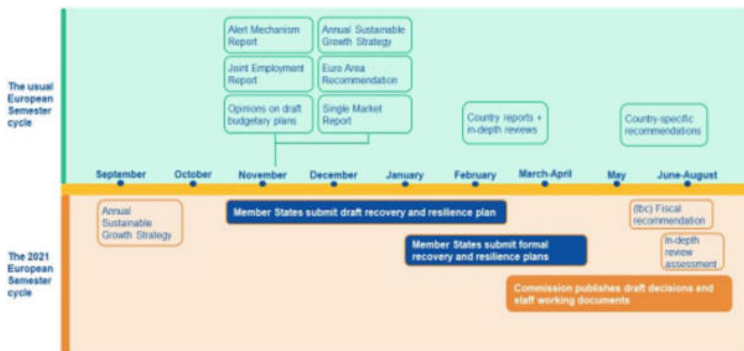


Figure 10: old and new European Semester process structure (Source: EU Commission webpage)²⁶

As we easily can see, the intervention of the master signifier “COVID-19” has reduced neoliberal influences on three levels: the network/idea level, the institutional level and the discursive level.

But what is happening on the level of the world economy? Will the corona shock also push back the economic hierarchy, forming a field of economic

²⁶ https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/european-semester-timeline/european-semester-2021-exceptional-cycle_de.

winners and losers of decade-long neoliberal reforms? This is clearly not the case. On the contrary, as accessible data to date indicate²⁷, corona will even *increase* the already existing inequalities and power asymmetries between regions, classes and sectors. Three sorts of data illustrate this. Those countries and regions that profited, in the past, over long periods from EU neoliberalism, now experience lower GDP losses (Germany); and countries from the south of Europe which are in crisis for a long time and which were hit dramatically by the Euro crisis 2009 (Greece, Italy, Spain) experience comparatively high GDP losses. In addition to that, Germany was able to mobilise much more money in order to fight the economic consequences of the corona crisis, as Figure 11 shows.

	Immediate fiscal impulse		Other liquidity	Last update
		Deferral	/guarantee	
Belgium	1.4%	4.8%	21.9%	22/10/2020
Denmark	5.5%	7.2%	4.1%	01/07/2020
France	5.1%	8.7%	14.2%	05/11/2020
Germany	8.3%	7.3%	24.3%	04/08/2020
Greece	3.1%	1.2%	2.1%	05/06/2020
Hungary	0.4%	8.3%	0.0%	25/03/2020
Italy	3.4%	13.2%	32.1%	22/06/2020
Netherlands	3.7%	7.9%	3.4%	27/05/2020
Portugal	2.5%	11.1%	5.5%	04/05/2020
Spain	4.3%	0.4%	12.2%	18/11/2020
UK	8.3%	2.0%	15.4%	18/11/2020

Figure 11: economic measures to fight corona crisis (source: Bruegel²⁸)

If we just look at the four biggest EU economies accounting for around 80% of EU GDP, Germany spend much more than France, Italy and Spain. Finally, those economic sectors, which are very important for the economies in the south such as tourism and related sectors, are much more hidden by the corona crisis than the industries that are very strong in north-western and

²⁷ January 2020

²⁸ <https://www.bruegel.org/publications/datasets/covid-national-dataset/#germany>.

eastern countries. In addition to that, most precarious workers are appointed in those sectors that are strongly hit by the crisis. This means that the income gap between the upper-middle classes and the lower middle-classes will increase by the crisis (not to speak about shareholders who profited mostly from the corona crash at the financial markets!).

All these data support the presumption that the corona crisis will intensify existing inequalities caused by neoliberal politics of the last decades. Thus, the post-neoliberal “new normality” appears, for the moment, as a paradox state of affairs. While the short-term related neoliberal traits almost disappeared, the long-term consequences of neoliberal politics are manifested because they are deeply anchored in the structures of the European world economy. Transformations on this level would require strong European solidarity between the regions, the countries and the middle and precarious classes, new directions of European economic policies and a sustainable transformation of the European economy. For the moment, only very weak and vague structural tendencies are detectable that would point in such a direction.

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