The Immunity of Austerity:
The role of culture in justifying public budget cuts in the European Union

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**Biography**

Luke Shuttleworth holds a degree in International Development Studies (M.Sc.) from the *University of Amsterdam*. His main research interest revolves around the effects of austerity measures during the Eurozone Crisis and gender inequality in developing countries. As part of his master’s research, he spent three months in rural Western Kenya researching the effect of informal savings groups on gender inequality in the area. Since leaving university, Luke has held consultancy and research positions at two NGOs, *Simavi* and the *Global Reporting Initiative*. 
European Austerity and Public Acceptance

In June 2016, the United Nations Committee on Economic, Social and Cultural Rights released a report stating that the British government’s austerity policy constitutes a human rights violation. Austerity measures - typically in the form of budget cuts - are argued to impact the most vulnerable groups in society. In contrast, wealthier groups - whose wellbeing is less reliant on government services - are sheltered from the cuts, thereby increasing social inequality and the power of financial and corporate elites.

Austerity is not only controversial due to its negative social impacts, but also because it has failed to engineer the economic recovery that was promised. In short, after six years of austerity in the European Union (EU), economic growth rates remain low whilst, in many cases, public debt has actually increased. Thus, as opposed to the painful but swift remedy to the financial crisis which was promised, the EU’s policy is proving to be just painful - with no clear ending in sight. Even one of the main initial supporters of austerity, the International Monetary Fund (IMF), has recently argued that budget cuts have exacerbated unemployment, generated considerable welfare costs, and increased social inequality.

So why do public budget cuts prevail as the default economic policy in the EU? As economist Mark Blyth notes, ‘austerity remains an ideology immune to facts and basic empirical refutation’. By sticking to the narrative that the Eurozone Crisis was caused by the frivolous overspending of governments, attention is deflected away from the risky strategies of banks and their subsequent bailout. Consequently, the space in which a critical debate on the structures that consolidate financial and corporate power - whilst also inevitably leading to financial crises - shrinks considerably. It follows that by focusing on the need to lower public debt, as opposed to the systemic issues underlying the crisis, austerity remains dominant in economic policy regardless of the negative economic and social outcomes.

Overall, austerity erodes trust in the welfare state and removes the universality of public services. Here, as opposed to viewing social assistance as an essential mechanism to offer protection to the general population, benefits are seen to merely assist those that are unable to afford private provision. By separating the principle of universality from the welfare state in Europe, it becomes easier to blame individuals for their reliance on government assistance - thus deflecting attention away from systemic issues that exacerbate social problems such as underemployment and poverty.

2 |Recommended Reading in TNI’s State of Power 2017 report www.tni.org/state_of_power2017
The Peculiarity of Public Acceptance of Austerity

Although spending cuts are a historically unpopular policy choice, there has been widespread public acceptance that there is no alternative. In opinion polls in eight member states in May 2013 – three years after austerity was first implemented – only 29 per cent of those surveyed were against more spending cuts with 59 per cent believing that further cuts are necessary. Whilst polls in 2016 show that support for austerity has declined somewhat, there still remains widespread acceptance that EU governments need to lower their level of debt. In the most recent Eurobarometer poll in 2015, citizens cited ‘the state of member states’ public finances’ as one of the top three issues facing the EU in 15 of the 28 EU member states.

This is not to say that austerity has been uniformly accepted with a number of social movements mobilising against austerity throughout the EU. For instance, the 2011 March for the Alternative in London drew in more than 250,000 protestors whilst the German Blockupy protest in Frankfurt was attended by over 17,000 people. In academia, the theoretical and practical case for austerity has been refuted by scholars such as Mark Blyth and Nobel laureate Paul Krugman. In contrast, the initial work of pro-austerity academics such as Carmen Reinhard and Kenneth Rogoff, as well as Alberto Alesina, has been widely discredited.

Nevertheless, EU governments have continued with austerity. The persistence of the policy shows the strength of the argument in public discourse that budgets must be cut at all costs. In a survey conducted by Ipsos MORI in 2016 on austerity in Greece, respondents indicated that whilst they believe that austerity is bad for the Greek economy, the measures are still necessary. This view was expressed by 73 per cent of those interviewed.

Citizens’ support for austerity is puzzling given the policy’s negative economic and social outcomes. The argument for cutting your way towards an economic recovery seems indefensible amid the growing evidence that the approach does not work.

However, as argued below, austerity is not only justified by its proponents through economic arguments, but also on cultural grounds.

Austerity and Neoliberal Culture

As Antonio Gramsci noted in his writings on cultural hegemony, the ideas of the ruling class dominate in society. In this essay, it is argued that austerity – a policy which bolsters the power of financial elites – is accepted due to the pervasiveness of neoliberal values in European culture. Here, neoliberal ideas that underline the virtues of the free market economy and the need for individuals to be self-reliant and entrepreneurial do not only dominate economic policy, but also form part of European culture.
The Virtues of Competition and Individual Responsibility

In justifying austerity, two key neoliberal values—competition and individual responsibility—are particularly influential. Accordingly, the policy can be seen as an appeal to citizens to show more individual responsibility as opposed to relying on government handouts. The welfare state is therefore not framed as a means to counter the negative social effects of free-market capitalism, but rather as an institution which disrupts economic activity and makes people less independent.

In contrast, austerity puts its full trust in free markets and competition as a means to generate welfare. Consequently, austerity not only carries the message of economic recovery but also frames itself as a means to make individuals more self-reliant and responsible. This cultural message emphasising the virtues of competition and individual responsibility is carried by actors such as politicians, news outlets, and think tanks. For instance, newspaper articles and political speeches that blame the welfare state for the financial crisis indicate the influence of neoliberal values in society.

The internalization of these cultural values by citizens not only strengthens public acceptance of austerity, but also bolsters negative views of the welfare state and those receiving benefits. By being exposed to this neoliberal narrative, citizens are not only more likely to accept austerity, but also actively reinforce the policy by demonizing benefits claimants and legitimizing governments implementing budget cuts.

As former British Prime Minister Margaret Thatcher famously said, ‘economics is the method; the object is to change the soul’. The words are mirrored in the process whereby austerity is justified both on economic and cultural grounds, as well as in the active role that citizens take on in reinforcing austerity in Europe.

Distinguishing Between Responsible and Irresponsible Citizens: The Return of the Undeserving Poor

The influence of neoliberal values in the dissemination of information to citizens is indicated by the use of politicians and news outlets’ use of cultural figures to argue that budget cuts are necessary. For instance, in the next section, it is shown how politicians frequently blame Europe’s economic problems on the lazy Greek or irresponsible benefits claimant.

By contrasting irresponsible citizens to their hardworking, tax-paying counterparts, the idea is spread that the current economic system functions well for those that are actually willing to work. It follows that a too generous welfare state not only assists those that are genuinely needy, but also incentivizes irresponsible citizens to be less hardworking and rely on government assistance.

The argument that social policy needs to be protected from individuals looking to abuse too much generosity has a long history. In nineteenth century Britain, the country’s Poor Laws distinguished between deserving poor and undeserving poor,
the latter being characterized as able-bodied, but pretending to need government assistance. Research also shows similar ideas being used in social policy in countries as diverse as South Africa, South Korea, and the United States. Accordingly, the use of figures such as the lazy Greek or irresponsible benefits claimant that do not genuinely need government assistance, has been described as the ‘return of the undeserving poor’ in public discourse.

In arguing for budget cuts, the return of the undeserving poor can also be read as a political tactic to shift blame away from political and financial elites, as well as a means to strengthen the influence of neoliberalism. Thus, by directing public anger towards irresponsible citizens, less attention is paid towards the role of the establishment in the lead-up to economic turmoil. Consequently, social support is exclusively framed as a means to sustain the undeserving poor which, in turn, ignores the fact that many benefits claimants are actually employed, but earning low wages. The resulting re-emphasis of neoliberalism through cultural mechanisms then actually allows political and financial elites – who were initially under fire at the onset of the crisis – to consolidate their power.

Lazy Greeks and Hardworking Germans: The Dominance of Neoliberal Narratives

The role of neoliberal values, as well as the information which is disseminated to citizens, in the shaping of public opinion is evident when considering international reactions to anti-austerity protests in Greece. By depicting Greeks as lazy and contrasting them to, for instance, the hardworking German, proponents of austerity not only use economic logic, but also moralistic arguments to justify the policy.

Blaming Greece

Throughout the financial crisis, Greece has invariably received the most attention amid questions of whether the country would eventually leave the Eurozone. The country has the highest level of debt in the EU and is widely seen as the main culprit for economic turmoil in Europe with a 2016 poll indicating that 88 per cent of those surveyed blame Greece for the crisis. Again, the role of the risky strategies of financial institutions in the lead-up to the crisis is neglected.

Despite this omission, it is impossible to argue against the notion that Greece had an unsustainably high public expenditure which did not conform to EU debt regulations. What is however important to bear in mind is the historical context to Greece’s accession to the European Community in 1981. Here, Greece’s membership was fast-tracked amid fears originating from the country’s proximity to Soviet satellite states. Greece was thus granted preferential treatment in that the country was allowed to spend heavily on social policies and run up a
considerable deficit. This context is rarely mentioned in public discourses on the roots of Greek debt.

Since the onset of the Eurozone Crisis, Greece has been subjected to three bailouts and implemented thirteen austerity packages. The consequences of austerity in Greece have been remarkable. Unemployment has risen from 11.4 per cent in 2010 to 25.9 per cent in 2015, whilst the poverty rate has more than trebled between 2011 and 2015 to approximately 36 per cent. Growth has been negative and public debt has increased. Opposition to austerity is fierce with numerous anti-austerity protests and strikes taking place in the country. The climax was reached in 2015 when the anti-austerity party Syriza was elected in 2015. Despite Greek resistance, austerity continues to be foisted on to the country by the Troika comprising of the IMF, European Central Bank, and European Commission.

Throughout the EU, there has been widespread public outrage over Greek resistance to austerity. Particularly in Germany, one of the main financial contributors to the bailout packages, there has been a rise in anti-Greek sentiment with many being angry at the idea of tax money being spent on bailing out Greece. Opinion polls in Germany in 2015 showed that 78 per cent of the respondents claimed that Greece does not show understanding for the concerns of other European states.

Cultural Perceptions of Greeks

The mood in Germany can perhaps best be summed up by the headline of the tabloid newspaper Bild in February 2015, ‘No more Billions for the Greedy Greeks’. The notion that Greeks are lazy in comparison to their hardworking German counterparts is widespread in Germany but also in the rest of the EU. For instance, German Chancellor Angela Merkel remarked in 2011 that it is impossible to have ‘a common currency where some get lots of vacation time and the others very little’. In the speech, the chancellor taps directly into the notion that Greeks are workshy. Consequently, Greek people are viewed throughout the EU as less hardworking and more corrupt.

The rise of anti-Greek sentiment and idea that the Greek crisis arose through corruption, laziness, poor tax collection, and excessive public spending lends legitimacy to austerity. It is here where the dominance of neoliberal values in European culture comes into play. Austerity is presented as an instrument to improve Greek behaviour and morale according to the principles of individual responsibility and competition. Budget cuts supposedly then force citizens to become more self-reliant and enterprising – thus relying more on the market as opposed to the welfare state to ensure their wellbeing.

As international outrage over Greek anti-austerity protests shows, European citizens not only accept austerity, but also actively reinforce the policy by lending
legitimacy to pro-austerity politicians and demonising those that are against the policy.

The power of the cultural justification for austerity is significant given the fierce resistance to the policy in Greece and complete collapse of the economic rationale for budget cuts. Here, the pro-austerity camp profits greatly from controlling cultural perceptions to ensure public support. Thus, the cultural perception that Greeks are lazy offers justification for austerity even though the economic rationale is missing.

**The age of Austerity in ‘Benefits Britain’**

Five years of austerity in the UK has failed to engineer an economic recovery and instead had massive negative effects on vulnerable groups in society such as low-income households, children, and the disabled.

The UK offers up another example of public reinforcement of austerity. The justification of austerity is centred on the prominent idea of Benefits Britain where an economically-inactive minority is said to be subsidized by the welfare state. The case for austerity pits a group of responsible hardworking citizens against a perceived group of lazy benefits claimants that are intent on staying unemployed.

**Public Perceptions of ‘Benefits Britain’**

In contrast to Greece, support for austerity in the UK is widespread. Opinion polls in 2015 show that only 34 per cent of those surveyed believe that government cuts are bad for the economy with 28 per cent stating that the cuts are unnecessary. Indeed, in the aftermath of the UK Labour Party’s poor performance in the 2015 general election, an independent inquiry found that the party lost votes due to its perceived anti-austerity stance.

Citizens’ support of austerity can again be linked to the prevalence of neoliberal values in culture. As such, politicians, news outlets, and think tanks use an increasing anti-welfare state rhetoric in their dissemination of information to citizens. Here, the welfare state is framed as an unfair and unaffordable institution which supports a culture of poverty. Again, reliance on government handouts is incompatible with individual responsibility and competition.

The assault on the welfare state not only targets the institution, but also those that rely on it. The UK has seen a rise in the demonization of benefits claimants. For example, former British Chancellor George Osborne in 2010 referred to reliance on benefits as a lifestyle choice. The claim is backed up by the Centre for Social Justice in its report on so-called benefits ghettos – described as entire workless communities. In a speech given by former British Prime Minister David Cameron in 2008, it is said that the age of austerity is replacing the age of irresponsibility.
Such statements paint the unemployed and impoverished as lazy and irresponsible as opposed to being victims of an economic system which concentrates power and exacerbates inequality. Accordingly, austerity is justified as a means to make citizens more responsible and less dependent on the welfare state.

The Role of Television Broadcasters and Newspapers in Strengthening Austerity

The myth of so-called workless communities is widely disseminated to citizens. A case in point is the airing of the reality television show Benefits Street in 2014. The show, which received a viewership of over four million people, follows the daily lives of inhabitants of a street in Birmingham – 90 per cent of which are said to receive benefits. Critics accused the show of demonizing benefits claimants as lazy, unemployed by choice, and frequently engaged in criminal activity. The programme is by no means unique and follows a long list of similar television programmes such as Skint, The Great British Benefits Handout, and Council House Crackdown.

By portraying extreme cases without discussing the relevant extraordinary circumstances, the view is perpetuated that all benefits claimants are workshy and irresponsible. In fact, the opposite is true as the majority of people on benefits in the UK are employed. Nevertheless, shows such as Benefits Street largely succeed in shaping public discourse which focuses on individual failings as an explanation for poverty and unemployment. Here, the value of individual responsibility is again influential as citizens are framed as being responsible for their own wellbeing regardless of the circumstances.

In a recent study on how citizens’ views are influenced by watching Benefits Street, it was found that the show serves as a pretext for people to form negative opinions of benefits claimants. This is evident in public reactions to the show on social media where protagonists of the show received death threats whilst being described as ‘scum’ that deserve to be ‘gassed’, ‘shot’ or ‘hanged’. Given these reactions, it is not difficult to imagine how shows such as Benefits Street strengthen public support for cuts to the welfare state.

Newspaper articles can also have a similar effect on public views on benefits claimants. In a study at the University of Glasgow, it was found that stories in newspapers on people with disabilities have become less sympathetic. At the same time, the number of articles on benefits fraud has risen with terms such as ‘scroungers’, ‘handouts’, ‘workshy’, and ‘cheats’ being used more often to describe the disabled. The findings are corroborated by a UN report on austerity which claims that disabled people in the UK are increasingly portrayed as ‘lazy and putting a burden on taxpayers’. By positing that people who claim disability benefits are potentially cheating the system, cuts to social spending seem more justified. And indeed, there has been an offensive on the disabled in the UK’s age of austerity. The Bedroom Tax has overwhelmingly impacted the disabled whilst the government have also made more use of so-called fit-for-work tests. The tests
- the development of which was outsourced to for-profit companies Atos and then Maximus – evaluate whether those receiving disability and sickness benefits are in fact able to work instead.\textsuperscript{32} The tests have been criticized harshly and, in many cases, the verdict of the test has been successfully overturned.

\textit{Internalizing Neoliberal Values in Practice}

An example for how citizens in the UK internalize neoliberal values in assessing benefits claimants is provided by a study of the University of Teesside. Here, it was found that the demonization of benefits claimants is not only carried out by the elite, but also by people experiencing similar circumstances. The authors of the study partly attribute this to the current climate where benefits claimants are stigmatized in society, and a willingness of people to disassociate themselves from the category, but also on the dominance of the ideas of the ruling class about the, as they call it, ‘undeserving poor’.

In this regard, many of those interviewed during the study – many of whom were experiencing poverty – denied their condition, but still blamed ‘the poor’ themselves. As such, poverty was seen as a moral failure, as opposed to a state of material deprivation. In this regard, by seeing themselves as acting responsibly and able to ‘manage’, study participants could distinguish themselves from ‘the poor’.

‘[I]nterviews were heavily loaded with moral assessment. Poverty in other people’s lives was usually viewed as a consequence of individual ineptitude or moral failure. Others were blamed particularly for their inability – or unwillingness – “to manage”’.\textsuperscript{33}

Here, one can see the influence of the value of individual responsibility, as it is expected that people should be able to ‘manage’ regardless of the circumstances in which they find themselves in. In this regard, people view poverty as a result of an individual failing and not of wider structures. For instance, in one interview presented in the study, a female benefits claimant argues that people who are unable to ‘manage’ frequently fail to do so because of alcohol and drug use.

\textbf{Challenges for the Anti-Austerity Movement}

\textit{The Dominance of the Neoliberal Narrative}

Overall, television shows, articles, and political speeches demonizing benefits claimants and the welfare state not only indicate the influence of neoliberal values in society, but also reinforce these. The interaction between neoliberal culture and the information disseminated to citizens, in turn, strengthens public acceptance of austerity.

Whilst many activists, politicians, and academics mobilize against austerity, their arguments are often marginalized in public discourse. Pro-austerity newspapers
such as Bild and The Sun have respective readerships of 2.5 and 1.8 million daily, with the first episode of Benefits Street airing to 4.3 million viewers. If you throw in the exposure that political speeches get, the lack of exposure of anti-austerity arguments is unsurprising.

The pro-austerity camp uses simplistic, tangible household arguments to justify the policy. For instance, the notion that debt needs to be repaid can be grasped much better than the systemic critique which often forms the basis of protest movements.

The challenge for anti-austerity movements is to dismantle the dominance of the neoliberal narrative. This is no simple task. However, given that budget cuts are generally unpopular and that citizens are distrusting of banks and financial elites, there is room for an alternative anti-austerity narrative.

In Europe, events such as the rise of right-wing populist movements, the recent Brexit vote, and protests over free trade treaties with Canada and the United States, indicate public discontent over the concentration of economic power. Recently, right-wing populist movements have profited from this momentum in their critique of the establishment. Unfortunately, the movement also taps into neoliberal values such as individualism in directing public anger towards vulnerable groups such as refugees.

*The Anti-Austerity Movement’s Advantage*

In dismantling the pro-austerity narrative, the institutionalization of neoliberal values is difficult to break down. Here, it is problematic to argue that benefits cuts are unfair when citizens believe that the cuts target those who deserve them.

Where anti-austerity activists have an advantage is on the side of facts. For instance, it can very simply be pointed out that austerity has not worked and what the amount of money spent on the welfare state is in relation to the bailouts of banks. The notion that Greeks are lazy and not tackling the problems of their public sector are dispelled by the simple statistic that Greeks actually work more hours than Germans and that no country in world history has implemented as many structural adjustments as Greece.

The demonization of benefits recipients in the UK stands in contrast to the point that only one per cent of total benefits spending goes to unemployment benefits. In addition, most people on benefits are employed whilst unclaimed benefits total approximately €15.3 billion which is more than ten times the amount which is lost through fraud.\(^3^4\) Research has furthermore shown that so-called workerless communities in the UK do not exist.\(^3^5\) Research criticizing austerity is not contained to the British and Greek cases, but also extends to perceived successful cases such as Ireland, as well as the widely-praised Baltic cases of Estonia, Lithuania, and Latvia.
The Way Forward

It is the citizens that accept or actively support austerity that need to be reached by anti-austerity movements. It is essential to dismantle the common sense that the welfare state subsidizes so-called benefits ghettos and that the policy of reducing public spending has been a success. Again, there are enough studies, data, and arguments to do this.

However, criticism of austerity needs to be more accessible both in content and delivery. It is not only essential to spread the message of how austerity bolsters the power of elites on a macro level, but also translate these dynamics into tangible outcomes for citizens. Citizens should not only be confronted with the amounts of money that were thrown at banks during the bailout, but also with how austerity has, for instance, led to the closing of community centres in their area. Other outcomes of austerity, such as increased reliance on food banks, rises in child poverty and homelessness, as well as the lowering of wages for health sector professionals are further examples of issues that can mobilize citizens on a local level.

A further point which should be addressed is political apathy of citizens. It is pertinent that during an election debate in 2015 in the UK, the most googled question at the time was, ‘what is austerity?’ By keeping distance between citizens and the political processes underlying austerity, and filling the space with simplistic arguments attacking the welfare state, the pro-austerity camp successfully marginalizes the space for a radical critique of the policy.

In this regard, perhaps there are some lessons to be learnt from the Spanish 15-M movement in 2011 which, along with occupying spaces and organizing protests, successfully used social media and online tools to mobilise citizens against austerity.36 The movement was able to spread information which challenged the dominant narrative of the financial crisis in public discourse. Furthermore, 15-M provided an online platform for different actors and organizations to converge and plan small-scale campaigns in communities to challenge specific government actions. Whilst the movement did not succeed in blocking austerity, it has certainly preceded a rise in anti-austerity sentiment in Spain and also induced citizens to challenge the pro-austerity narrative. As a result, the anti-austerity party Podemos was formed and has risen in popularity – receiving 21.2 per cent of the votes in the last general election.

The tools for anti-austerity movements to mobilize citizens are there. Through social media and the linking of grassroots movements in different communities, an information campaign can be carried out to challenge austerity. By making anti-austerity arguments more tangible to citizens throughout Europe, the distance between political processes on a macro level and issues that affect communities locally can be closed. Such a campaign necessitates collaboration between grassroots groups in different areas as well as a massive effort by activists and academics to identify local issues that are affected by austerity and devise a way to reach citizens.
Amid rising discontent with the establishment in Europe, the populist right have already gained ground by using simplistic arguments to explain issues affecting society. It is time for anti-austerity groups, as well as other factions committed to social justice and democracy, to make up this ground. By using simple – though not simplistic – arguments to debunk ‘facts’ that are spread about the welfare state and vulnerable groups in society, this can be achieved.


8 Their influential work ‘Growth in a Time of Debt’ was published in a non peer-reviewed journal and had severe methodological flaws that were exposed by a Ph.D. student three years after publication.

9 Alberto Alesina and Silvia Ardagna’s paper ‘Large Changes in Fiscal Policy’ was instrumental in the resurgence of austerity in Europe. The paper has since been criticized harshly by the IMF.


13 See Everett’s ‘The Undeserving Poor: poverty and the politics of services delivery in the poorest nodes of South Africa’; Song’s ‘South Koreans in the debt crisis: the creation of a neoliberal welfare society’; and Gans’ ‘Positive functions of the undeserving poor: uses of the underclass in America’.


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A summary of the report is available at: http://labourlist.org/2015/08/labour-lost-because-voters-believed-it-was-anti-austerity/.

The credibility of the CSJ is questionable when considering that it broadly aligns itself with the values of the ruling Conservative Party, with two members of the political party having set up the organization in 2004.

David Cameron’s rule from 2010 to 2016 saw massive cuts to the welfare state being implemented. The 2008 speech is available at: https://www.theguardian.com/politics/2008/oct/17/davidcameron-economy.


