

# AUSTERITY and its **ALTERNATIVES**



## Ireland's Austerity Addiction

Challenges and Opportunities

Brendan O'Rourke & John Hogan (Dublin Institute of Technology)

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# Introduction

- Ireland's Addiction is to Postliberal austerity with a history of classical, Keynesian liberalism & neoliberal abuse. Ordoliberalism is the current variant of this old poison in Ireland and the EU.
- All of us, not just we Irish, are back on the bottle.



# Background

- Non-death of neoliberalism, the revival of ordoliberalism and survival of the idea of the 'austere' state (Blyth, 2015; Crouch, 2011; Dardot, 2014). BUT....
  - Postliberalism is stretched & stressed (O'Rourke & Hogan, 2014; Regan 2012)
  - Perhaps not brain-dead Zombie postliberalism (Peck, 2010) but maybe heart is dead.
  - Postliberalisms are not giving the same emotional satisfaction and this is shown in the rise of Nationalisms (Trump, Brexit, Putin), Progressive protest movements, Decline in neoliberalized Social Democratic parties.



# Postliberal Revivalists like Macron, Trudeau etc. Rely on their Novel Features



Canadian Prime Minister  
Justin Trudeau



Emmanuel Macron, Co-Prince of Andorra



Leo Varadkar, Irish  
Taoiseach

# Background

- Postliberalism's compatibility with democracy is increasingly under strain:
  - China & Russia autocracies in neoliberal global economy (e.g. Economist, 2018)
  - Middle East (Bustos, 2003; Hogan and Cavatorta, 2013)
  - Thiel et al. (Tarnoff, 2016)
  - Technocracy (Kiely, 2017)
- So while postliberalism is still dominant it does not give the same kick as before, its addicts either crave higher doses or include exotic additives.



# Ireland's Long Established Addiction to Postliberalisms

- Classical liberal, -1970
- Keynesian New Liberalism, -1980.
- Neoliberalism from 1981
- Ordoliberalism from 2008
- **Postliberalism is deeply historically embedded**
  - (O'Rourke & Hogan, 2017; Hogan & O'Rourke 2015).



- Ireland networked into the international system given its openness (labour, trade, investment), smallness and culture (Barry, 2009; Regan & Brazys, 2018). Source: <https://www.idaireland.com/how-we-help/resources/infographics/fdi-in-ireland>

Some **companies** who have made Ireland their international growth engine.



- Strong path dependency in focus on MNC consistent and resistant to change since late 1950s (Bailey and Lenihan, 2015; Cooper and Whelan, 1973; Hogan & O'Rourke, 2016; Hogan and O'Rourke, 2015; Telesis, 1982).



- Even more recent: EU and the 'constitutionalizing' of economic governance
  - Euro-zone membership
  - Irish Fiscal Council
  - More formal budgetary processes.
  - Irish Government Economic and Evaluation Service (2012)
- The current, and most likely continuing, scenario is that Ireland will be in more integrated, *ordoliberalised* Europe but remember the far-right threat to the EU has not gone away.
- We need alternatives to both!





# Opportunities: Building Trust and Trustworthiness

- People are rightly cynical of manipulative media campaigns but even the educated are remarkably vulnerable to being misled by the media, and especially new media: the rise of the 'Intellectual Dark Web' (Kishere, 2018) .
- We need democratic discourse but cannot expect everyone to be a specialist.



# Opportunities: Building Trust and Trustworthiness


- Demanding more from now more powerful economists
  - We've been here before but some of that was in Keynesian era & it worked
  - More ties (loose?) needed among progressive networks (Plehwe, Neujeffski & Krämer, 2018)
  - Making them accountable for their increased institutional strength.
- Need to provide trusted and trust-worthy specialists on society and keep experts (including ourselves) ethical, honest and in a public service ethos.




# Opportunities: Forthright and Fair Frames

- Frames: structured (familiar, emotionally charged, morally salient) ways that we use habitually to understand the world (Entman, 1993, Goffman, 1974; Lakoff, 2014;2016)
- Frame theory claims 'No austerity' invokes the austerity frame. There are both good cognitive and discursive arguments for believing this.
- Use framing to enhance, not suppress, democratic discourse.




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- Frames need some familiarity and can't be just used on news programs. Need for repetition.
  - NEON et al. (2018) have applied Lakoff framing theory to the British economy. This is useful but not definitive.



Public Research made  
the smartphone!

Real Investments, not  
financial savings!

Welfare for people, not for  
profits!



- Postliberalism prompts us to remember those discourses have abandoned the failed promise of liberal freedom

Free to compete, even if you're  
not a member of the elite!  
Freedom from big corporations!  
Freedom from paid-for politics!  
Freedom for citizens, not  
corporations!



- Financialization and its mismeasurements is something that a diverse range of specialists feel from in their own experience, and that can be evidenced, clarified & highlighted by researchers (Joy & Shields, 2017).

Credit Rating Agencies

**FAIL**

Educational  
Performance  
Indicators

**FAIL**

Hospital rankings

**FAIL**

# Opportunities: Powerful Postliberal Tensions

- Neoliberals & ordoliberalists: Avoiding recruitment
  - Postliberal differences can catch us in a pincer movement (O'Rourke & Hogan, 2013): arguing whether or not there should be fiscal or monetary stimulus for the rich is not much progress.
- Replace Postliberal frames as we divide and conquer
  - Austerity for who? (McBride & Whiteside, 2011)
  - Neoliberal (& ordoliberal) excess (O'Rourke & Hogan, 2017)
  - Critic their commonalities but not with anti-X but better frames (NEON et al., 2018)





- Agreeing with Neoliberals....

Yes, experts / regulators can be elitist and need to be made democratically accountable and have a public service ethos.

Yes, more and more big bureaucracies are taking control of our lives – look at what Facebook has been doing lately.

Yes, immigrants are great for the economy & need investment in terms of education & protection from exploitation so there is not a race to the bottom.





- Agreeing with Ordoliberalists....

Yes, experts / regulators are valuable & need more resources if democratically accountable and have a public service ethos.

Yes we need to think of tomorrow and put real investment into education, public transport, science now. Stopping selling the farm (PFI)!

Yes, there needs to be cutbacks on that failed private finance initiative.

# Conclusions

- Breaking free from our austerity addictions by:
  - Exposing postliberal failures & its pseudo freedom
  - Unpacking our research so as to build wider ties
  - Providing more useful frames
  - Keeping social science specialists, us included, honest.



# Thank you.

Come visit on the web ([www.BrendanKORourke.com](http://www.BrendanKORourke.com) and [www.JohnHogan.net](http://www.JohnHogan.net)), in Aungier St. and at our future campus at DIT, Grangegorman, Dublin



[www.dit.ie/bssrc/](http://www.dit.ie/bssrc/)



<http://www.dit.ie/researchandenterprise/researchgroups/dag/>

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