

Die Beständigkeit des Neoliberalismus in Europa – Diskursanalytische Einsichten für ein progressives Gegenprojekt

Working Paper

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Anm.: Dieser Text stellt eine überarbeitete und gekürzte Version der von mir erstellten Master-Thesis mit dem Originaltitel „On the persistence of Neoliberalism in Europe“ dar. Die vollständigen Transkripte der analysierten Reden sowie eine detaillierte „line-by-line“-Analyse kann auf Nachfrage gerne zur Verfügung gestellt werden.

Abstract

The Great Financial Crisis (GFC) in 2007/08 fundamentally challenged the way many political scientists, economists, sociologists, politicians and commentators view the economy. Finally transforming into a crisis of public debt, most of the developed world was confronted with a significant economic downturn as well as drastic increases in unemployment. Politically, the consequence has been almost two decades of ongoing austerity in Europe, actively promoted in public discourse by a hegemonic neoliberal project. The sustained power of neoliberal discourse is remarkable, since the crisis seemingly refuted the widespread notion that the “free market” and its supposedly superior way of processing information is essentially infallible, and that unlimited growth serves as the panacea of economic policy. Unsurprisingly, many expected that the crisis would lead to fundamental change, if not politically, then at least ideationally and ideologically. A collective re-assessment of how our economy functions seemed appropriate, and the “window of opportunity” (Kingdon, 1984) could have been a historical chance for counter-hegemonic projects. However, crises imply both *threat* and *opportunity* for hegemonic projects, being path-shaping moments (Jessop, 2015, p. 97). By conducting a critical discourse analysis (CDA) of budget speeches delivered to the French, German and European parliament shortly before and after the crisis, it will be argued that neoliberalism used its *adaptive capacity* and *ideological flexibility* in a *strategic* way to maintain a hegemonic position in political discourse. It will be concluded that neoliberalism not only survived the crisis, but rather successfully framed the political and economic reaction to the GFC on its own terms by discursively adapting some ideational elements while maintaining its key philosophical background ideas. Finally, it will be argued that neoliberalism’s discursive reaction to the GFC implies important lessons for the understanding of ideational change in general.

Table of contents

1. Introduction	3
2. Theoretical Framework.....	6
2.1 Ideational Change.....	6
2.2 Hegemony	9
2.3 A Cultural Political Economy approach to crisis.....	12
3. Method	15
3.1 Introductory Considerations	15
3.2 Critical Discourse Analysis	16
3.3 Empirical Design	20
3.4 Sampling	21
4. Neoliberalism	23
4.1 The term Neoliberalism and its problems.....	23
4.2 A positive understanding of Neoliberalism	24
4.3 What is Neoliberalism?	26
4.4 The key features of Neoliberalism	28
4.5 The strategicality of Neoliberalism	36
5. Analysis.....	38
5.1 Argument reconstruction	39
5.2 Construction of the economic (as-if) imaginary.....	49
6. Discussion	63
References	68
List of figures.....	73

1. Introduction

If taking the 'market of ideas' for granted, the crisis should have called neoliberal ideas severely under question. The most common arguments to defend the market order turned out to be practically inadequate: "Deregulated financial markets have increased and not decreased financial fragility, growth and unemployment in neoliberal market economies are no better than in more highly regulated economies [...]" (Amable, 2012, p. 1177). However, more than a decade after the GFC, it can be argued that the neoliberal discourse managed to sustain its hegemonic position (Hartz, 2012). The profound lack of change in the political organization of the global economy took many by surprise, since the GFC "revealed fundamental weaknesses of the current functioning of financial markets, if not global economic relations as such" (Fuchs & Graf, 2010, p. 2). Social scientists in general and discourse analysts in particular found that while some normative discussions emerged (e.g. about morality and wall-street-centred greed), fundamental political questions have not been dared to ask, at least in the most important and influential media outlets (ibid., 2010, p. 21). With pragmatic and "technical" solutions dominating, there has been a surprising lack of proposals for fundamental political change during the crisis and the following years in public discourse (ibid., 2010, p. 29). Additionally, in academic discussion, the orthodox neoclassical paradigm seems to have sustained its dominant position in the economic departments in Europe. Non-intervention in markets is still considered as the "normal", as well as functioning and self-regulating markets. In contrast, financial crisis as well as Keynesian interventionism is considered to be the "extraordinary" (Pühringer & Hirte, 2015).

In reality, neoliberalism not only survived the crisis, but rather successfully framed the political and economic reaction to the GFC in its terms. The GFC provided great opportunities for the implementation of neo-liberal structural reforms. The financial meltdown of 2008 triggered massive bailouts funded by taxpayers in the subsequent years, which in turn led to a sharp increase in public debts of many European countries. Neoliberalism used this "opportunity" in terms of advocating for cutting public expenditures and drastically limiting social protection measures. The "budgetary orthodox" (Amable, 2012, p. 1178) response successfully argued for reducing public debts via the expenditure side instead of the receipt side (e.g. raising taxes). This is especially surprising since social protection measures in general and unemployment insurance in particular significantly reduced the macro-economic impact of the GFC (Dolls et al., 2010). In contrast to the crisis-dampening effect of social safety nets (*automatic stabilizers*), mechanisms to severely limit the possibility to have budget deficits have been implemented in the Eurozone (Amable, 2012, p. 1178).

From a power-sensitive perspective, it can be argued that hegemonic neoliberal positions have had a starting advantage in terms of which crisis narrative would be picked up by the media and policy makers alike. The default position on the policy menu has been following "pre-existing official technocratic and neoliberal crisis narrative that highlights deeper problems of structural

competitiveness in Europe [...]” (Jessop, 2015, p. 108). This narrative of competitiveness as panacea of economic policy has been extended to include austerity measures addressing the banking and sovereign debt crises, simultaneously marginalizing early crisis narratives which blamed an unsustainable financial regime and advocated for Keynesian demand-side measures. (Jessop, 2015, p. 108)

The fact that it has been surprisingly easy for neoliberalism to turn the GFC from a conceptual, ideological crisis into a political opportunity is of central interest to this paper. The core neoliberal “background idea” (Schmidt, 2016) of the free market being the superior organizing principle for the economy has been shattered by reality, it should have been an “easy” opportunity to construct powerful counter-narratives. This is especially perplexing (at first glance), since such counter-narratives and alternative paradigms have already existed (e.g. a Keynesian welfare regime), and where readily available to policy-makers and critical voices in public discourse. This observation serves as an entry point for the general argument which will be developed throughout this paper: while the ideology of free markets may be undermined by the crisis, one must not underestimate the “*adaptive capacity* inherent in neoliberalism” (Aalbers, 2013, p. 1089, emphasis added). Consequentially, moments of crisis are of crucial importance of how neoliberal demands are adapted, formulated and (re-)framed to sustain their hegemonic position (ibid., 2013, p. 1089). As will be discussed in detail (chapter 4), it is a dangerous misconception to reduce neoliberal thought to promoting the “free market” at all costs.

Ideational change, hegemony and strategic agency

Essentially, the above aimed at provoking the reader’s interest on the question of *how* neoliberalism managed to maintain its hegemonic position after the GFC. After all, many of us who are reading and researching on the economic, ecological and social consequences of the neoliberal regime of capital accumulation are constantly pointing to its unsustainability and internal contradictions, eagerly awaiting its demise. Consequently, the persistence of neoliberalism in Europe and, generally, the (seeming) absence of ideational and ideological change is puzzling.

The goal of this paper is to shed light on how neoliberalism discursively adapted to the crisis and what this process of adaption might imply for understanding ideational change. Importantly, it is not the goal to simply add another descriptive study of neoliberal thought to an already vast and extensive body of literature. I am primarily interested in the question of ideational change and hegemony. As has been touched upon above, the notion of *crisis* is closely related to the concept of change. The GFC set in motion almost 15 years of political and economic turmoil in Europe, triggering a crisis of public debt, the Eurozone crisis and more than a decade of austerity in Europe, connected with painful cuts in social security and public investments. Which discursive elements have been replaced by

neoliberalism and its proponents to maintain its legitimacy within a significant portion of the electorate of European democracies? Which discursive elements have been replaced in the process of strategic adaptation? There is a certain tension between the political theory of neoliberalism and the practices of (supposedly) neoliberal politics and policy. It is not the prior aim to unveil and expose inconsistencies and incoherencies, thereby developing an internal critique of neoliberal thought. Rather, it will be shown how neoliberalism adapted its discursive strategies over the period of crisis to sustain its hegemonic position and legitimacy.

The broader endeavour of this paper is to develop a more general argument about the notion of ideational change. By 1) developing a specific, positive understanding of neoliberalism as not only a political theory, but also a set of core invariable key elements or “background ideas” (Schmidt, 2016) and 2) an empirical analysis of pre- and post-crisis speeches delivered to the British, the German and the European Parliament, I hope to convince the reader that ideational change and the “selection” of certain narratives is not as much about the “resonance, argumentative force or scientific merit” (Jessop, 2015, p. 99) of conflicting worldviews, but rather a question of *strategic neoliberal agency*, consciously reconstructing neoliberalism’s ideological elements in times of crisis (Jessop, 2015). Once hegemonic, neoliberalism uses its discursive flexibility, conceptual indeterminateness, and vagueness to strategically react and adapt to a crisis, while simultaneously promoting policies closely related to the key elements of neoliberal thought. As will be outlined in detail below (chapter 2), this understanding of the neoliberal crisis response is consistent with the concept of a “defensive-hegemonic strategy” (Nonhoff, 2019), articulated from a position of power and hegemony (Nonhoff, 2019, p. 79).

Central to this endeavour is to uncover which ideas and ideational elements of neoliberal thought have *maintained* their place in the discursive strategy, which have been *adapted* and which have been *replaced* or simply *erased*. For tracking the change in ideational elements empirically, a critical discourse analysis following Fairclough & Fairclough (2012) will be applied to speeches to several European Parliaments, comparing the *pre-crisis* neoliberal discourse to the *post-crisis* neoliberal discourse. What is left in this brief introduction is to provide the reader with an overview of what lies ahead. In Chapter 2, the theoretical framework (on change and hegemony) will be introduced. Chapter 3 is dealing with the method for the empirical analysis as well as its relation to the theoretical framework. Chapter 4 dives deeper into neoliberalism, presenting a positive understanding of its core ideational elements. In chapter 5, the empirical analysis will be carried out. Importantly, for the sake of readability, the transcripts of the speeches delivered to the parliaments as well as the line-by-line analysis has been shifted to the annex. The interested reader is encouraged to take a look at it, it is very insightful to read verbatim political speeches. Finally, in chapter 6, the results will be discussed.

2. Theoretical Framework

The following chapter will lay out the general theoretical framework underlying the empirical analysis of this paper. The preceding introduction hopefully fulfilled its purpose of provoking the reader's interest on the question of how neoliberalism managed to maintain its hegemonic position after the GFC. Before approaching this question empirically, however, it is necessary to take a brief digression into the concept of ideational change and the theory of hegemony in general. At first, the idea is to problematize the notion of (ideational) *change* as conceptualized in social sciences. In order to discuss the question of (in crude terms) *why there was so little change* after the crisis, it has to be established *why change has been expected* in the first place.

In a second step, the Gramscian concept of *hegemony* will be introduced. The concept of hegemony will serve as a general tool to provide the reader with a deeper understanding of how neoliberalism as an *ideology* manages to wield significant political power in practical terms. To put it differently, it is important to grasp how (political) ideas may transform into (political) action, and the theory of hegemony can provide useful insights in this regard. Before laying out the empirical design of this paper in detail, the final part of this chapter will provide some essential context on the Great Financial Crisis (GFC) in 2007/08.

2.1 Ideational Change

Before diving deeper into the discussion about ideational change, the claim that ideas and ideology are drivers of institutional and social change in the first place must be defended. After all, from a materialist perspective, one could very well argue that ideas only serve as simple "add-ons" to existing structures (Blyth, 2011, p. 96), not having the power to change anything relevant at all. First of all, the notion that the "real" material interests of actors are the key determinants of their behavior can be questioned. It seems difficult to assume that actors are certain of their "real" interests, since that would require extensive individual knowledge. To provide an example: Is it really in the interest of the richest to extend their wealth further? Some authors argue that rising inequality is to the detriment of all, even to those at the top (Wilkinson & Pickett, 2010). Consequently, it seems plausible to assume "that it is perceptions of interest, rather than interests per se, that inform behaviour" (Schmidt, 2011, p. 70). In summary, the whole notion of "objective" material interests may be problematic, and the author will borrow from discursive institutionalism "by theorizing interests as subjective responses to material conditions" (Schmidt, 2011, p. 58). This approach is consistent with a critical realist ontology and epistemology. At this point, the critical reader will have to exercise patience, as the relation

between ideology and materiality (and, more general, between agency and structure) will be picked up later in the section on hegemony.

Besides the problematic assumption that there exists such a thing as real material interests, there is an even more fundamental argument for postulating that ideas do indeed matter. The observation that “the world is deeply uncertain, rather than risky” implies problems for a non-ideational understanding of social change (Blyth, 2011, p. 89). In contrast to *risk* (which can be expressed in mathematical terms), the concept of (Knightian) *uncertainty* implies that there are some things about the world which we simply do not know and cannot know about. Consequently, our world becomes “disequilibriumal and dynamic, [...] causes are endogenous and nonlinear, and [...] outcomes of interest are not normally distributed”¹ (Blyth, 2011, p. 87). In summary, Blyth (2011) follows that “ideas must be seen as more than simply add-ons to existing frameworks. They are, instead, the fundamental media through which agents interpret the world and construct stability in it” (Blyth, 2011, p. 96).

After defending the claim that ideas matter in general, the discussion will now proceed to the concept of ideational change in particular. In social sciences, the change of core (philosophical) ideas is usually being understood as evolutionary and slow (Schmidt, 2016). Importantly, ideational change is also conceptualized as being subject to path-dependencies. That means that “the order in which things happen affects how they happen, the trajectory of change up to a certain point itself constrains the trajectory after that point” (Schmidt, 2011, p. 68). Following Schmidt’s argument, significant innovations in the history of neoliberal thought (such as Hayek’s understanding of the relationship between knowledge and society) may change the trajectory of the whole neoliberal project. Moreover, not only theoretical innovations may change the trajectory of neoliberal thought, but also singular events such as the GFC.

One of the most influential approaches on ideational change which can be illuminating for the purpose of this paper is Peter Hall’s (1993) theory about shifts in policy paradigms. Importantly, what Hall understands as a shift in policy paradigms not only relates to specific policy goals and means for achieving said goals, but rather a complete reformulation of the nature of the political problem which lies at the core of a certain political project. Carstensen (2015) argues that this can best be understood as a “third order change” (p. 279). In this sense, Hall argues that ideational change occurs when the overall (“third order”) goals of politics change. However, Carstensen (2015) objects that it remains kind of unclear *why* the overall goals change (p. 287). Hall’s distinction between ideational change on different orders has, in a sense, also been picked up by Schmidt (2016). While not distinguishing between different orders of change, Schmidt (2016) argues that ideational change can be both

¹ For a detailed discussion on the difference between risk and uncertainty, see Blyth, 2006.

revolutionary and evolutionary. In the case of evolutionary change, the “philosophical background ideas” (p. 322) remain intact. In contrast, in the case of revolutionary ideational change (which can be understood analogously to Hall’s third order change), policy goals, instruments as well as the background ideas are torn down and replaced.

Let us briefly stick with the distinction between evolutionary and revolutionary change, because it is paramount for the underlying argument this paper is trying to make. As outlined above, in the case of evolutionary change, it cannot be expected that philosophical background ideas change radically within short periods of time. As will be argued in detail in the following chapter about neoliberalism, the neoliberal project is fundamentally connected to what Thomas Biebricher (2021) calls the “neoliberal problematic”: early neoliberals have asked themselves how to maintain and safeguard the social and political circumstances for functioning markets (Biebricher, 2021). In Hall’s (1993) terminology, this is the *fundamental political problem*, and while the specific means and goals might change relatively fast, *fundamental change* in philosophical background ideas happens only very slow.

The revolutionary view of ideational change has been supported by a number of scholars, which all argue in a similar direction. For example, Blyth (1997) emphasizes that times of uncertainty and crisis are leading to Polanyian moments of ‘Great Transformations’. Borrowing from Polanyi’s impressive reasoning of why the liberal “laissez-faire” order began to crumble in the early 20th century (Polanyi, 2019, [1944]), Blyth essentially argues against the notion that ideas are causal factors for social change on their own and underlines the importance of historical and material context. In Thomas Kuhn’s work “The structure of scientific revolutions” (1970), the revolutionary approach to ideational change is already implied in the title. By challenging the then prevailing idea that science can be understood as a cumulative process towards to truth, Kuhn introduced the idea of epistemic ruptures, triggered by some kind of revolutionary event. Moreover, Kuhn importantly was the first to argue that structures of thinking are not confined within theories, but rather that “the very possibility of science depended on [...] structures, or ‘basic codes’, existing in inter-theoretical debate” (Bieling et al., 2016, pp. 54–55).

At this point it seems adequate to briefly re-establish the central motivation which underlies this paper. Given that the basic distinction between different “orders” of change (Hall, 1993) or between evolutionary and revolutionary change (e.g. Schmidt, 2016) are valid, the development of neoliberalism and neoliberal ideas over time becomes very interesting. While (as will be outlined in detail in the next section) neoliberalism arguably emerged out of a situation of multiple crisis, it seemingly survived the GFC without as much as a scratch. Intuitively, the question arises of what happened to the philosophical background ideas at the core of neoliberal ideology. Supposing that revolutionary events should be traceable in terms of leaving an impact on at least some elements of

neoliberalism's background ideas according to the theory of ideational change, it seems appropriate to examine this idea further by looking into empirics.

Before leaving the theoretical discussion, however, it is necessary to spend some time on the concept of hegemony and hegemony theory. Up to this point, it has been established why ideas matter in general, and how ideas and ideology might change over time. To further motivate looking at neoliberalism in detail, it has to be shown how it manages to exert significant influence on the political process and politics in general. Hegemony theory can serve as a suitable theoretical lens to do so.

2.2 Hegemony

It seems appropriate to start by looking into what Antonio Gramsci has to say about hegemony. While presenting an exhaustive picture of Gramsci's work would by far exceed the scope of this paper, some of his thoughts serve as an excellent introduction into the discussion on hegemony.

The core idea of the concept of hegemony in Gramsci's work is his observation that power (or more precisely, *rule*) in (bourgeois) societies does not solely depend upon brute force but is always based upon a combination of coercion and consent. Moreover, the voluntary consent of parts of society to the government must be organized politically (Becker et al., 2017, p. 7). Gramsci can provide useful insights about the relationship between hegemony, the state and classes. In contrast to orthodox Marxism (of his time), Gramsci understands classes as pluralistic combination of different particular interests. Crucial for him is the question of how a class can manage to transcend its "material" affiliation and construct a political project which cannot be confined in simple terms of class conflicts. To succeed, a certain class must look for alliances and win over other parts of society. That does not mean, however, that class interests vanish completely. But to effectively take power, the ruling class has to make compromises (Becker et al., p. 20). Furthermore, Gramsci introduces the concept of "organic movements", which are relatively sustainable over time, and contrasts it with "cyclical movements", which pop up occasionally and incidentally, but are of no further significance for historical analysis. Importantly, he also contributes some thoughts on social change in connection with organic movements. He argues for understanding social change as a dialectic process between long-term internal contradictions in the economic "structure" and within the "organic movement" which has been in power over years and does everything to maintain its power, although the structural conditions for its demise are already there. On the other hand, there are short-term, day-to-day, cyclical movements within the (ideologic) "superstructure", which are "opportunity-driven", including

individuals who may cause ruptures and revolutionary change (ibid., p. 28-29).² Moreover, and to a certain extent in contrast to the concepts of social change discussed above, Gramsci argues that a fundamental historical crisis can never be caused by an economic crisis alone. He warns of applying a *mechanical* understanding of history, and rather argues that an interplay between internal contradictions in the economic fabric of society as well as cyclical events such as a crisis may cause social change (ibid., p. 34-36).

As may have become clear already to the careful reader, the concept of hegemony in a Gramscian sense must not be reduced to a theory about discursive processes in general and ideology in particular. Rather, economic structures and political questions must be considered as well, as the fight for hegemony can best be understood as a dialectical process between materialist structures and (semiotic) discourses (ibid., p. 10). As will be discussed later in the method section, this is the reason why a method which deals with discourse analysis (such as CDA) needs to be embedded within a broader political-economic framework.

Let us now turn to a more recent understanding of the concept of hegemony. In his book "The Gramscian Moment", Peter D. Thomas (2009) describes the most important features of hegemony as follows. Firstly, hegemonic strategies are about the "production of consent" rather than coercion. It has already been argued that the fight for consent is omnipresent in neoliberalism's history. As shown above, Gramsci himself viewed achieving hegemony as an interplay between coercion and the production of consent. However, it can be argued the nature of the modern political landscape requires that a hegemonic project such as neoliberalism must put more efforts into the production of consent, since the actual power to coerce by brute force is limited in democracies.

Moreover, the "terrain" on which the fight for hegemony takes place is civil society rather than the state (p. 160). While the state serves as the arena for the political fight, civil society represents the arena for the fight for consent and hegemony. Thomas (2009) summarizes this Gramscian spatial opposition, stating that "Civil society is the patria of consent and hegemony, while the state is the locus of coercion and domination" (p. 168-169). The question may arise of why bothering with the empirics of speeches made in European parliaments if the state is being described as the locus of coercion rather than hegemonic struggles. It can be argued that public speeches do also serve the purpose of addressing civil society. Furthermore, the method of CDA allows a closer look on the discursive justifications of policies and political goals. The public construction of a practical argument can very well be understood as a hegemonic strategy to win over the consent of civil society, even if the arena for addressing the public is the parliament.

² The distinction between structure and superstructure closely mirrors the orthodox Marxist distinction between "base" and "superstructure".

Finally, it is important to note that a Gramscian understanding of hegemony and hegemonic struggles are inconsistent with a view of “deliberative democracy” (Habermas, 1996). The ideal of a deliberative democracy essentially implies that it is possible to achieve consensus by rational means. Fairclough (2013) notes that “democratic politics includes both conflictual and cooperative elements: struggle for and against particular forms of hegemony, and the building of alliances which necessarily involves deliberation oriented to achieving consensus” (p. 195). Importantly, the theory of hegemony does not fundamentally oppose the idea that there is no such thing as rational deliberation in politics. Rather, it simply avoids the fallacy of reducing “democratic politics to a search for consensus” (Fairclough, 2013, p. 195).

Following this brief introduction into the theory of hegemony, the focus will now shift towards some specific hegemonic strategies which can be used by neoliberalism to maintain its power.

Nonhoff (2019) generally identifies two kinds of hegemonic strategies, differentiated along the dimension of what kind of actor is employing such a strategy. One can either strategize from the position of the hegemon or from the position of those in opposition to a hegemon. In the first case, Nonhoff speaks of a *defensive-hegemonic* strategy, where “the goal is to defend one’s hegemonic position”. The second case would be an offensive-hegemonic strategy where the goal is to overcome a perceived hegemony (Nonhoff, 2019, p. 79). Naturally, defensive-hegemonic strategies are of greater interest to this paper. But what can be considered a defensive-hegemonic strategy?

In relationship to neoliberalism’s reaction to the GFC, an important defensive-hegemonic strategy is the selection of a certain crisis construal (Jessop, 2015). Generally, a specific crisis construal is the result of “contestation over the presence and meaning of a crisis” (p. 97). Its selection by actors who want to employ a defensive-hegemonic strategy is not guided by the “argumentative force or scientific merit” alone, but also depends upon other factors such as the structure and organization of the mass media as well as the role of public intellectuals and other public and private apparatuses crucial for public opinion. Importantly, all crisis construals are selective (ibid., p. 98). Consequently, Jessop (2015) argues that “what goes unstated or silent in specific discourses” must be also of interest to critical examination (p. 99). As will be shown in detail in the analysis section, the actors choose their words to construct a certain narrative of the GFC very carefully.

Additionally, the defensive-hegemonic strategy of a “rhetorical redescription” (Skinner, 2002) shall be introduced. Skinner argues that the idea of rhetorical redescription is to replace a certain “evaluative description” with a competing term which is not less plausible in a descriptive sense, but at the same time morally charged in some way. An example would be to redescribe the rather technical circumstance of a country having a structural deficit by saying that said country “lived beyond its means”. While the diagnosis of a structural deficit is not morally charged at all, living beyond one’s

means is colloquially understood and usually connected to irresponsible behaviour. Consequently, the public may accept the new description, but may also “adopt a new attitude towards the action concerned” (Howarth, 2010, p. 319).

Finally, the role of metaphors as a defensive-hegemonic strategy must not be underestimated. Howarth (2010) argues that “the role of metaphor [...] is essential because if a group is to successfully hegemonize the demands and identities of others, it must create analogical relations” (p. 320). By employing the practice of metaphorically redescribing certain political demands, they can be translated in a more easily understandable language, which is more universal and thereby accessible to a larger audience.

As argued above, the specific defensive-hegemonic strategies outlined are by no means exhaustive, and rather represent useful categories and tools which will later be used for the empirical analysis. Moreover, a less abstract discussion on the hegemonic response of neoliberalism and neoliberal discourse will be provided in the chapter on neoliberalism. Before that, however, it is necessary to bring forth some theoretical remarks on crises in general.

2.3 A Cultural Political Economy approach to crises

Primarily, as will be justified further in the method section, the theoretical framework used to develop a theoretical understanding of moments of crisis is Bob Jessop’s (2003, 2010, 2015) Cultural Political Economy (CPE).

Essentially, Jessop (2015) argues that crises always imply both threat and opportunity, being potentially path-shaping moments, which might change the trajectory of a political project such as neoliberalism. Additionally, the balance of (political) “forces competing to influence crisis construal, crisis management, crisis outcomes and possible lessons to be drawn from crisis” (Jessop, 2015, p. 97) might be shifting drastically in moments of crisis. Importantly, however, the phrasing as “moment of crisis” is not as straightforward as one might suspect. Jessop notes that it is problematic to describe a crisis as a single event. One could also understand the phenomenon of a crisis as “a contingent series of events, an evolving conjuncture shaped by attempts at crisis management or a determinate process with its own laws” (Jessop, 2015, p. 104). In this paper, the GFC is being understood as a discrete moment in time for methodological reasons. The accurate retelling of the history of the crisis is explicitly *not* the goal of this paper. Rather, the GFC serves as a suitable point in time to construct a *before* and *after*, allowing the comparison of certain worldviews and economic imaginaries implicit in the speeches which will be analysed. However, it must be acknowledged that the assumption of the crisis being a discrete event can be challenged.

Furthermore, a CPE approach assumes that there are structural contradictions implied in the (economic) fabrics of society, which must be dealt with by established political patterns.³ When said political patterns lose their capability to deal with structural contradictions, a crisis emerges. Importantly, specific moments of crisis do not imply a particular response, they are not “objective”. Implying both threat and opportunity, a crisis may lead to a decisive transformation, but may also yield an opportunity for expanding the power of a hegemonic project. A defensive-hegemonic strategy could be to redirect the course of events as well as attempting to “muddle through” (Lindblom, 2018 [1959]). The important point is that there is no predetermined outcome of a crisis situation, and which of the alternatives emerges will be mediated (primarily) through discursive struggles. Consequently, CPE postulates that how a crisis unfolds depends heavily on mass media and role of intellectuals (Jessop, 2003, pp. 92-93).

Moreover, one must not fall into the trap of understanding the struggle for what happens after a crisis as a competition on a level playing field. As briefly touched upon when talking about crisis construals, actors deliberately select certain discourses and omit others. Additionally, structural imbalances (e.g. the ownership-structure of mass media) also influence the construction and public dissemination of certain crisis construals (Jessop, 2003, pp. 92–94).

In sum, CPE argues that “while crises may be subjectively indeterminate (opening space for constructivist interpretations), they are also objectively overdetermined” (Jessop, 2015, p. 109). This quote reflects the assumption of a dialectical relationship between structural (materialist, extra-semiotic) explanations and constructivist (discursive, semiotic) explanations for the unfolding of a crisis in CPE. The idea that crisis conjunctures are objectively overdetermined and subjectively indeterminate goes back to Régis Debray (1973). Objectively, crisis often have multiple (possibly interconnected) causes, and “occur when a set of social relations (including their links to the natural world) cannot be reproduced in the usual ways” (Jessop, 2015, p. 97). Moreover, several crises or crisis-tendencies within a given social structure may accumulate, leading to multiple crisis while simultaneously making it harder to deal with the crises by routine form of managements (“muddling through”). Routine forms of crisis management may also be called into question if the “balance of forces” in the political landscape changes. Assuming that crises are objectively over-determined and subjectively indeterminate implies that “a crisis is never a purely objective, extra-semiotic event or process that automatically produces a definite response or outcome” (ibid., p. 97). Rather, crises allow the possibility for “decisive intervention” to potentially “repair broken social relations, promote piecemeal adaptation or produce radical transformation” (Jessop, 2015, p. 97). On the same time,

³ Conveniently, a CPE approach is consistent with a Gramscian understanding of hegemony. As developed above, Gramsci views the fight for hegemony as a dialectic process between the economic “structure” and the “superstructure”.

however, that does not mean that moments of crisis automatically lead to radical or any kind of transformation at all. There is also the possibility that policy makers as well as other important actors will not “update” their beliefs on how the world works, consequently opting for the strategy of “muddling through” (Lindblom, 2018 [1959]). As Rocco (2014) argues, the case of “muddling through” is far more common as a crisis response than any kind of resulting (radical) change (Rocco, 2014, p. 525).

3. Method

3.1 Introductory Considerations

The method serving as a tool for analysing the empirical material (which will be introduced below) is Critical Discourse Analysis (CDA). The analysis as presented in this paper methodologically closely follows Fairclough & Fairclough (2012), Fairclough (2013a) and Fairclough (2013b).

Generally, CDA represents a “sociolinguistic approach, focusing on the use of language in combination with social and cultural hegemonic processes” (Pühringer & Hirte, 2015, p. 604) which is mostly being used in the field of sociology of knowledge. Moreover, CDA is embedded within the broader landscape of discourse analysis.

While discourse analysis in general is often concerned with questions like which (covert) meaning is attributed to certain terms (for example “freedom”) or what conditions are responsible for the formation of a specific type of meaning (for example the liberal understanding of “freedom”), this paper is rather interested in the (strategic) *hegemonic function* of a certain type of discourse. Following Nonhoff (2019, p. 65), this presupposes that such hegemonic function “will regularly become manifest in similar form and with similar effects in political discourse” (p. 65). To put it differently, in order to being able to make a statement about how neoliberalism discursively adapted to maintain its hegemony, it must be assumed that hegemonic strategies become manifest in discourse. The method of CDA as applied in this paper stems from the broad field of discourse analysis. More precisely, however, it must be understood as a form of hegemony analysis, focussing on the hegemonic strategies and functions manifest in public discourse.

Before diving into CDA in detail, some general remarks on the method are necessary. CDA is suitable for the analysis of specific bodies of texts within a particular context. Consequently, CDA as such is limited to the semiotic aspect of social reality, and “faced with the problem of how to extrapolate from analysis of particular events and interactions and texts to analysis of the production, reproduction, contestation and transformation of hegemonies” (Fairclough, 2013b, p.184). In order to being able to conceptualize the long-term development of semiotic as well as extra-semiotic processes, CDA must be embedded within a broader politico-economic framework. One possibility is to integrate the CDA analysis of specific texts into the broader framework of Jessop’s (2003, 2010, 2015) Cultural Political Economy (CPE). Fairclough (Fairclough, 2013b, p. 184) argues that “CDA analysis needs to be framed by CPE analysis (or something similar), CPE analysis needs to be grounded in CDA analysis (or something similar) of particular social events and interactions”. In general, it is important to note that CDA is a method for the analysis of discourse. Discourse *on its own*, however, is dialectically related to other aspects of social reality (Fairclough, 2013b, p. 178). While some arguments and elements from

CPE are incorporated into this paper, the limitations of CDA as a methodology implies that what can be shown by applying CDA to the empirical material is also limited. In other words, the results of this paper will show how neoliberal discourse changed and adapted after the GFC. However, it *cannot* show how the political project of neoliberalism has changed and adapted in its complex entirety.

Concluding this section, Fairclough (2013b) offers some insights into the ontological assumptions underlying CDA. Generally, social reality is being viewed as “conceptually mediated, meaning that there are no social events or practices without representations, construals, conceptualizations or theories of them” (p. 178). The “objects” of analysis are simultaneously material and semiotic in character, and the relation between the material and the discursive is best understood as a dialectical relation (Fairclough, 2013b, p. 178). Consequently, CDA (more generally, all approaches which emphasize the discursive constitution of the material) is consistent with a critical realist ontology, epistemology and methodology (Jessop, 2003, p. 5).

3.2 Critical Discourse Analysis (CDA)

After this rather abstract introduction into CDA and the world of discourse analysis in general, let us now turn to the specifics of the method used to analyse the empirical material.

Importantly, CDA is suited to issue normative as well as explanatory critique. It goes beyond simply describing social reality but can also be used to critically evaluate and assess empirical material (normative critique). Additionally, it aims at explaining empirical material by relating it to certain structures (such as a definition of neoliberalism) postulated by the analyst. (Fairclough, 2013b, p. 178)

Specifically, CDA after Fairclough assumes that the social process consists of three levels of social reality, which interact with one and another. Said levels as *social structures, practices* and *events* (Chouliaraki and Fairclough, 2007). Social practices can be understood as a mediator between social structures and social events. Entities like institutions and organizations are conceptualized as “networks of social practices” (Fairclough, 2013b, p. 179). Social practices serve as intermediates between social structures and social events. Social fields, institutions and organizations are understood as “networks of social practices” (ibid., p. 179). The analysis in CDA usually focusses on the (dialectic) relationship between structures and events (or, importantly, structure and *strategy*) (Fairclough, 2013b, p. 179).

How, then, will CDA be applied on concrete terms in this paper? Six different speeches held in European parliaments (as described in detail in the section on sampling below) will be analyzed by following Fairclough & Fairclough’s (2012) approach to the evaluation of practical argumentation and deliberation. In a first step, the practical argument brought forward in a speech will be reconstructed

by identifying (among other categories) policy problems, proposed solutions and supposed circumstances. The focus on practical argumentation makes it possible to deconstruct and evaluate a claim brought forward by politicians, going beyond the “argumentative force or scientific merit of the argumentation” (Fairclough, 2013b, p. 190). The general idea behind reconstructing a practical argument is to show how certain “representations” of the crisis relate to specific “reasons for action” (or human agency in general) (Fairclough & Fairclough, 2012, p. 6). In this sense “structure provides agents with reasons for action” (ibid., p. 12). By developing a practical argument, political agents apply defensive-hegemonic strategies such as selecting specific narratives, using metaphors, fantasmatic narratives or rhetorical redescriptions. Importantly, approaching the empirical material by reconstructing practical arguments does not imply that the “best” argument leads to the selection of the “best” policy. Politicians can very well make a “bad” argument, but, and this is crucial, “their decisions are still based upon judgements which they arrive at on the basis of practical reasoning” (ibid., p. 14). A further reason for advancing the general topic of hegemony by looking at practical reasoning is the following. One can differentiate between practical reasoning on the one hand, and theoretical reasoning on the other. While theoretical reasoning is concerned about what is true or not (guided by a search for knowledge), practical reasoning is guided by the search for appropriate action (ibid., p. 35). Arguably, strategically employing defensive-hegemonic strategies is not guided by the search for knowledge, but rather concerned with finding *pragmatic* solutions to pressing issues. The emphasis on pragmatism is also consistent with the fundamental “neoliberal problematic” (Biebricher, 2021), concerning the question of how to safeguard and ensure functioning markets.

After defending the approach of reconstructing practical arguments, it will now be shown *how* this will be done. Practical arguments typically include different kinds of (sometimes implicit) *premises*. There are certain *goals* and *circumstances* (which can be empirical, but also social and institutional facts) as *premises* for making a practical argument. Moreover, agents have certain *value premises* which inform the *goal* as well as the *circumstantial* premises. For instance, the *value premise* of “intergenerational justice” may inform the *goal* of a balanced budget in the long-run. The description of circumstances is also influenced by the agent’s values, since only specific circumstances are selected as relevant. In summary, “from given circumstances and goals, agents conjecture that a certain action might enable them to transform current circumstances in accordance with some values or concerns” (Fairclough & Fairclough, 2012, p. 76). Finally, specific *means* are proposed to achieve corresponding *goals*, which can be conceptualized as the (often implicit) *means-goals* premise (“if and only if we implement specific means, we can reach specific goals”). The *means-goals* premise is also influenced by the *value-premise* and must be consistent with *circumstances*. Overall, the approach to practical argumentation as applied in this paper focusses on the *claim for action*, based upon the description of the context of action and desirable goals, all informed by values. Essentially, the underlying idea is that “ways of

representing the world enter as premises into reasoning about what we should do” (ibid., pp. 86-87). By looking at practical arguments in their entirety instead of “isolated representations”, it is possible to connect how beliefs feed into action (ibid., p. 87). The basic structure of practical argumentation is presented in fig. 1 below.

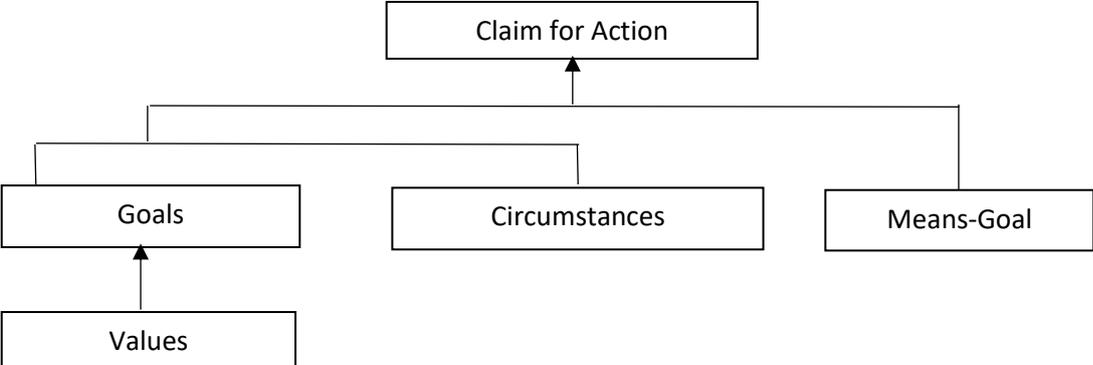


Fig. 1: Basic structure of practical argumentation (based on Fairclough & Fairclough 2012, own representation)

This structure will serve as the basic framework to reconstruct the practical arguments brought forward in the parliamentary speeches subject to analysis in this paper. Importantly, the scheme in fig. 1 can be extended by including *deliberation*. Agents deliberate by considering alternative claims for action, or at least the possibility of *not acting* at all. Usually in parliamentary speeches (i.e., when deliberating alone), counter-claims are only brought up in connection with their (supposedly) negative consequences. Finally, agents occasionally introduce *arguments from authority* as a form of deliberation to further justify their claim for action. For example, agents may cite empirical evidence or generally respected, “independent” sources (institutions such as the IMF, the World Bank etc.) to further strengthen their argument. When complementing the scheme with deliberation, we arrive at the structure of practical argumentation depicted in fig. 2.

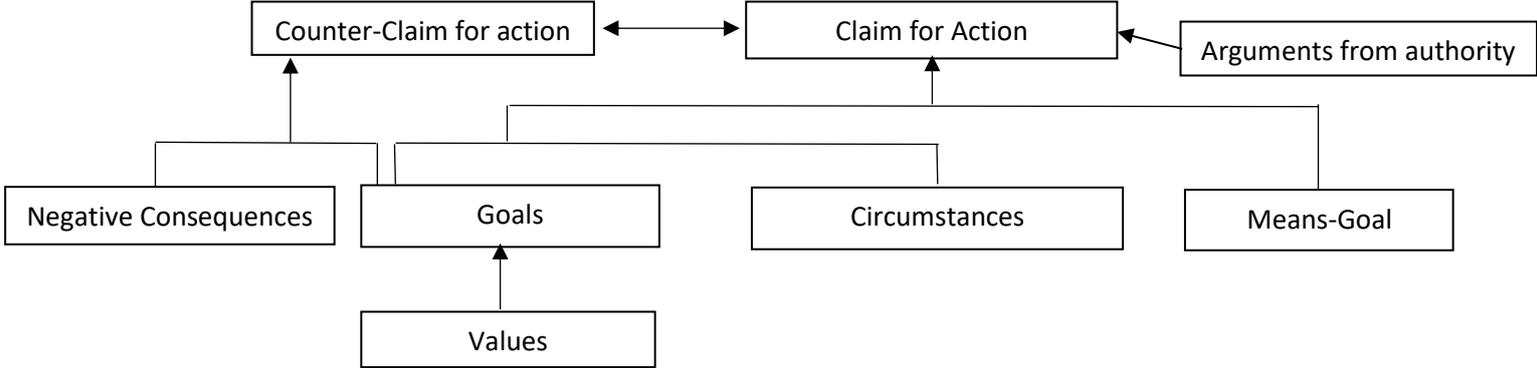


Fig. 2 Basic structure of argumentation with deliberation (based on Fairclough & Fairclough 2012, own representation)

The question arises of what purpose the reconstruction of the practical argument serves for examining the question of how neoliberal discourse changed and adapted after the GFC. In Fairclough & Fairclough (2012), the construction of practical argumentation just represents the first step of the

analysis. The second step would be to evaluate the argument by means of applying various logical, rhetorical and dialectical perspectives (ibid., 2012, pp. 51ff). In contrast to evaluating the practical argument identified, the analysis in this paper will take a different route. Essentially, what is most interesting to the author is what *elements* of neoliberal discourse have changed, and what elements have stayed the same. To address this question, the concept of *economic (as-if)-imaginaries* can serve as a useful tool. The central idea is that discourses may not only be understood as a way of representing the world (and social reality), but also *what it should be*. The concept of economic imaginaries originates from the field of CPE, which has already been introduced. In CDA, imaginaries can be understood as “representations of the non-actual”, describing “a possible future” (Fairclough & Fairclough, 2012, p. 103). In this sense, the concept of an economic imaginary is very useful for the purpose of this analysis. Constructing the practical argument of the speeches allows to structure the texts in a way that make it more accessible for deriving an (implicit) economic imaginary. By constructing the (economic) imaginaries for both *before* and *after* the GFC, they can finally be compared and examined with regard to which elements have changed, and which have stayed the same. While an economic imaginary describes how agents view a possible future, an as-if imaginary is part of the circumstantial premise of the practical argument in the sense that it describes how agents describe the world *as if they were already reality*. The addition of the as-if imaginary as an analytical category equips us with a useful tool to capture how agents frame and construct the circumstances emerging from the crisis, used to justify certain claims for action. For example, agents might describe the current economic state of their country as one of “intense competition”, where it is absolutely necessary to implement structural reforms as soon as possible.

Finally, there is one last methodological tool missing for allowing us to dive into the empirics. Following Carstensen (2015), an ideology or a political project such as neoliberalism can be understood as a combination of “certain ideational elements [...] yoked together in a web, creating an inside and an outside to the idea” (p. 292). By using the metaphor of a web with different elements entangled in it, ideational change can be visualized by comparing the “ideational web” before and after the crisis. Furthermore, understanding neoliberalism by employing the metaphor of a complex, interconnected web of different ideational elements makes it also possible to not only examining which elements changed (or disappeared), but also how the *relationship between certain elements* changed. (Carstensen, 2015, p. 292) In the analysis section, the pre- and post-crisis discourse will be graphically compared by borrowing the idea of an ideational web.

3.3 Empirical Design

At last, after outlining the method in detail, the specific steps of analysis can be outlined as follows.

Argument reconstruction

In the first step, the practical argument developed by the speakers will be reconstructed, following the scheme as proposed in Fairclough & Fairclough (2012). This step allows for the identification of several premises (informed by the speaker's values), such as the *goal premise*, the *circumstantial premise* as well as the (mostly implicit) *means-goal* premise. Together, the premises inform a certain *claim for action* advanced by the speaker. Furthermore, by adding the dimension of deliberation, the scheme proposed will also capture *alternative claims for action* as well as potential *costs of inaction/alternative action*.

Construction of the economic (as-if) imaginary

In a second step, the scheme developed in the first step will serve as a basis for constructing the implicit *economic (as-if) imaginaries*, which capture how agents view desirable future state of affairs (imaginary), or how they describe the present state of affairs *as if* they were reality. Importantly, the *economic (as-if) imaginaries* will be presented by using a relational approach. That means that the different elements of the imaginaries as well as the relationship between the different elements will be subject to comparison.

Construction of a positive understanding of Neoliberalism

In the next chapter, a positive understanding of neoliberalism and its ideational elements will be developed. Then, the conception of neoliberalism will also be depicted graphically by using a relational approach.

Synthesis of the economic (as-if) imaginaries and the developed understanding of Neoliberalism

In a final step, the relational depiction of the constructed imaginaries as well as the understanding of neoliberalism will be critically compared and discussed. The focus will lie on (1) which elements of the economic imaginaries are consistent with neoliberalism (as understood in this paper), and (2) how the consistency of economic imaginaries with neoliberalism developed over time. Additionally, the specific defensive-hegemonic strategies outlined above will be used to complement the discussion on how neoliberalism changed and adapted after the GFC.

3.4 Sampling

To conclude the method section, the selection of texts (i.e., speeches) has to be justified. In sum, a total of 6 excerpts of speeches delivered to 3 different parliaments will be subject to analysis. All excerpts can be found in their entirety in the annex.

In general, the texts which have been chosen for closer analysis are 4 budget speeches, delivered by the respective Chancellor of the Exchequer to the national parliaments of Germany and Great Britain, as well as 2 (shorter) speeches on the economic state of the European Union, delivered by the President of the European Commission. From each parliament (UK, Germany, EU), there is one text originating in the last government before the crisis as well as one text originating in the first post-crisis government. Moreover, the countries from which the texts originate have been chosen for practical reasons (in terms of accessibility of language) on the one hand, as well as political relevance in the context of EU politics on the other.

The first text is an excerpt of the speech by Gordon Brown then Chancellor of the Exchequer for the labour party in Great Britain, and dates back to March 22nd, 2006. Mr. Brown is presenting the budget proposal to the House of Commons, and the title of the budget was “A strong and strengthening economy: Investing in Britain's future”. The text has been chosen because it was the first budget delivered by Brown in the third term of Tony Blair’s government (2005-2007). In analogy, the second speech subject to analysis is the first budget speech by the then Chancellor of the Exchequer George Osborne (March 16th, 2016), who served under the conservative government of David Cameron (2015-2016).

The third text is an excerpt of the budget-speech delivered by then Chancellor of the Exchequer Peer Steinbrück (SPD) to the German Bundestag on March 28th, 2006. In analogy to Mr. Brown in Britain, Mr. Steinbrück served as Chancellor of the Exchequer in the first government of Angela Merkel (2005-2009), the most recent government before the crisis. The fourth text is an excerpt of the budget speech delivered by Wolfgang Schäuble (CDU) to the German Bundestag on April 8th, 2014. Mr. Schäuble served as Chancellor of the Exchequer in the third term of Angela Merkel (2013-2018).

Finally, the fifth text chosen for analysis is an excerpt of the then President of the European Commission José Manuel Barroso addressing the European Parliament on September 3rd, 2005, on the topic of the mid-term review of the Lisbon strategy. Since there are no budget speeches on a European level (only extensive debates) due to the different governmental structure of the European Union, the text has been chosen for its general remarks on the state of the European Union. Furthermore, it is shorter than the excerpts from the national parliaments. The sixth and final text is an excerpt from a speech by (again) Mr. Barroso addressing the EP in the context of the “European

Semester for economic policy coordination” and has been delivered on the 25th of February in 2014. The European Semester provides a general overview of the economic state of the European Union and is therefore uniquely well suited for analysis for the purpose of this paper. Unfortunately, the European Semester has only been introduced in 2011, which is why the fifth text is the midterm report on the Lisbon strategy.

In general, the author is confident to argue that the selection of texts is sufficient to provide a rich overview of the economic policy discourses in Europe briefly before as well as after the crisis.

4. Neoliberalism

The following section aims at filling the term “neoliberalism” with meaning. Due to the term’s inflationary usage in social sciences in general and economics and sociology in particular, developing a suitable, nuanced understanding of neoliberalism is of paramount importance and serves as an indispensable starting point for discussing the broad notion of how ideas and ideologies develop over time. As will be shown below, the curious reader diving deeper into neoliberal thought can expect to find herself in an intellectual realm full of internal contradictions and inconsistencies. Accepting the danger of disappointing some expectations, however, the purpose of this paper is *not* to add another descriptive study of neoliberalism to an already vast and extensive body of literature. Rather, the central goal of this paper is to shed light on the discursive adaptive capacity of neoliberalism and the implications of said capacity for ideational change. For this purpose, this section aims at identifying some key ideational elements or philosophical “background ideas” (Schmidt, 2016) of neoliberalism. To start, however, the approach of positively defining neoliberalism as well as the use of the term in general requires some justification.

4.1 The term Neoliberalism and its problems

Before starting the discussion of how neoliberalism is being defined in this paper, it is necessary to address some common objections to the productivity of the term in general.

One common argument of critics is that the term “neoliberalism” has been reduced to a “leftist battle cry” or even an insult (e.g. Hartwich, 2009). Essentially, critics argue that the term neoliberalism is normatively charged, which leads to its employment as a political weapon rather than a (descriptive) category. Consequentially, the term should be replaced with alternative terms which are more “neutral”. However, as argued in detail by Biebricher (2021), accusing the term of being politically biased rests on the problematic assumption that there exists a type of terms and categories (or language in general), which is completely unbiased and not value- or “theory-laden” (Sayer, 2010) to a certain extent. After all, replacing the supposedly problematic term of neoliberalism would require somehow finding a less biased category, which, to put it mildly, seems difficult. Generally, the idea of “neutral” language being available for the keen scientist solely interested in finding the unambiguous “truth” cannot be upheld from a philosophy of science perspective. Why not use the term “capitalism” or “market system” in place of neoliberalism? Following this line of argumentation, according to Biebricher, we encounter some more fundamental problems (2021, p. 12). Should it be possible to get rid of all potentially problematic terms, then only by paying the price of abstraction. After all, it can be

argued that the term “market society” is substantially broader than the term “capitalism”⁴, which itself again is substantially broader than the term neoliberalism. Consequentially, the social sciences (and sociology in particular) might lose some important tools to diagnose the cultural characteristics of our time, which cannot be in the interest of science. In summary, while acknowledging the politically charged nature of the term neoliberalism, it can be argued that its critical-diagnostic potential as well as the non-possibility of “neutral” language in general justifies its use.

Besides the accusation of neoliberalism being a leftist swearword, there is a second objection raised by the critics of the term neoliberalism. Supposedly, the term is used so differently and frequently, that it has lost all its meaning, rendering it an empty signifier. To address this problem, Biebricher (2021, p. 15) firstly notes that all the conceptual difficulties cannot be ignored but are not specific to the term neoliberalism. Terms such as liberalism, conservatism or post-structuralism are generally impossible to define in the sense of drawing clear, distinct lines between what is “liberal” and what is not. The political language is full of ambiguities, which have to be respected, but can also be embraced in a sense that a conceptual indeterminateness often allows for a more nuanced analysis. Biebricher (2021) concludes that there is an indispensable heterogeneity inherent to schools of (political) thought, and the continuous re-negotiation of their meaning is an “eminently political practice” (ibid., p. 16). In summary, while it is important to acknowledge that there are some conceptual difficulties inherent in the term neoliberalism, the author is confident that it can be used productively and serve as a potent instrument for critically further developing our understanding of the politico-economic circumstances of our time.

4.2 A positive understanding of Neoliberalism

As mentioned above, the main criticism is that the term neoliberalism is massively overused, consequently becoming an empty signifier. To convince those who are notoriously suspicious of the term itself, one can essentially choose between one of the two following strategies. The first possibility is to embrace the “variegated” nature of neoliberalization as a “process” rather than a static set of ideas (Brenner et al., 2010), emphasizing that there are many different kinds of “neoliberalisms” which only loosely connect to a broader “regulatory project” (see for example Peck, 2010). This approach, however, comes with the danger that the meaning of the term dissolves being subject to the burden

⁴ If capitalism is being understood as a system in which the means of production are privately owned for the purpose of generating surplus value (as in Marxist theory), it can be argued that markets have already existed in pre-capitalist societies (see e.g. Harari, 2015). Additionally, in his attempt to revitalize socialist ideas, Honneth (2018) more generally argues that markets as mechanisms of allocation are not necessarily exclusive to capitalist systems.

of the plurality of approaches it aims to include. As Biebricher (2021) argues, assuming a variety of distinct but connected “neoliberalisms” would not solve but rather aggravate the problem, since each and every single one of the identified “versions” of neoliberalism would have to be defined in a way that justifies the distinction (p. 22).

The second possibility, the one which is (to a certain extent) pursued in this paper, is to reconstruct certain ideological “background ideas” (Schmidt, 2016), a conceptual core of neoliberalism, which are supposedly the basis for neoliberal politics and practice. Evidently, there are also problems with this approach, since specific lists or enumerations of neoliberal elements are necessarily arbitrary and might very well be contested by scholars proposing a different understanding of neoliberalism (Biebricher, 2021, p. 21). Importantly, however, to allow tracking the *change of ideational elements* of neoliberalism, it is necessary to define some specific, concrete, “typically” neoliberal characteristics and properties. Consequently, the approach in this paper is to develop a positive understanding of neoliberalism in the sense of constructing certain key elements by the means of applying a systematic literature review. Naturally, the reduction of an ideology as complex, full of internal contradictions and pervasive such as neoliberalism to a finite number of key elements can never be fully defended against the accusation of reductionism. At the same time, the author is confident to argue that the key elements of neoliberal thought presented below are by no means “arbitrary”, but rather based upon extensive literature on neoliberal theory and practice. Finally, this chapter (and, by extension, the whole project of this paper), by no means aims to establish a “transcendental determination” of neoliberalism, as Biebricher (2021, p. 22) accuses overly reductionist approaches. However, the argument is that there are some elements of neoliberalism which appear to stay constant over time, *even if* a disruptive empirical event such as the GFC practically and theoretically calls into question said elements. Or to put it differently: The underlying methodological idea of developing a positive understanding of neoliberalism is not to negate pluralities, variegations and the importance of temporal as well as geographical context. Rather, the idea is to fundamentally call into question the notion that disruptive events such as the GFC necessarily change and shape background ideas.

Background ideas, as the name suggests, generally remain in the background. They represent unquestioned presumptions and premises as well as “deep philosophical approaches” (Schmidt, 2016, p. 320) which serve as a basis for practical argumentation a political action. Additionally, “background ideas tend to sit at the deepest level of generality in ideas, even though they normally infuse the intermediate level of programmatic ideas or policy programs and are translated into practice at the most immediate level of policy ideas” (ibid., p. 320). Consequently, the key elements of neoliberalism presented below are rather abstract and general, which, however, by no means implies that they do not carry important implications for political action.

4.3 What is Neoliberalism?

This section develops an understanding of neoliberalism which later will serve as a basis for exploring the core question of how neoliberal key elements and philosophical background ideas have persisted in Europe after the GFC.

The term neoliberalism has been coined at the Walter-Lippman-Colloquium 1938 in Paris, which was organized for the purpose of discussing Walter Lippman's book "The Good Society" (Biebricher, 2021; Mirowski & Plehwe 2015; Harvey 2011).⁵ After the second world war, some of the participants of the colloquium came together under the newly formed Mont Pelerin Society (MPS).⁶ While most of the content of "what is neoliberalism" has only been gradually worked out between 1946 and 1980, the general mood at the first MPS-meeting in 1947 can be adequately captured by the following quote of Hayek: "Common work on the more detailed outline of a liberal order is practicable only among a group of people who are in agreement of the fundamentals [...]." (Hayek, MPS, April 1st, 1947, as quoted in Mirowski & Plehwe, 2015, p. 421). Consequentially, the main goal of the relevant protagonists at the time was to find a solution to what Biebricher (2021) calls the "neoliberal problematic". The main "foe" of the early neoliberals is collectivism in all its forms. Austrian intellectuals like Ludwig von Mises have to witness with horror how the socialists take over the Viennese government, implementing a vast array of reforms which are directly aiming at correcting the outcomes of capitalist markets. Then, the sheer existence of the Soviet Union calls into question certain givens such as the impossibility of economic central planning.⁷ Finally, the rise of the Nazis in Germany drastically ends all hopes (at least for the time being) of liberal intellectuals to re-construct the liberal regime of the 19th century (see Slobodian, 2020). From the perspective of intellectuals such as Hayek, von Mises and other participants of the MPS meeting, all of the mentioned collectivist tendencies share that they effectively restrict and limit capitalist markets. Consequentially, the "neoliberal problematic" is to *secure and defend* functioning capitalist markets. Crucially, however, early neoliberals recognize that it is not sufficient to pursue a laissez-faire strategy, as has become evident by the aforementioned crisis of the "old liberalism". Neoliberalism must not be conflated with market fundamentalism, quite on the contrary, "in a sense it is precisely the market which becomes the problem [for early neoliberals]" (Biebricher 2021, p. 44). Thus, the neoliberals are confronted with

⁵ It is noteworthy that the term "neoliberalism" popped up several times before the colloquium, for example in Hans Kelsen's habilitation (Biebricher, 2012, p.24)

⁶ While the MPS as such will not be subject to detailed discussion in this thesis, it should be mentioned that many scholars argue that the MPS essentially represents *the* neoliberal thought collective (Slobodian 2020, Harvey 2011, most notably Mirowski & Plehwe 2015). Alternatively to developing a positive understanding of neoliberalism, one could also take the route of defining neoliberalism via the individuals who considered themselves neoliberals (as Mirowski & Plehwe did), most notably members of the MPS.

⁷ In addition to the soviet planning system, the second world war also proved that central planning can be a highly effective possibility, which came as a shock to many liberal intellectuals.

the problem of how to ensure and sustain *functioning* markets by political means (ibid., p. 44). Mirowski and Plehwe (2015) point to a similar direction when arguing that the starting point of the political project of neoliberalism is the “admission that political program will triumph only if conditions for success are constructed” (p. 162). It is important to emphasize that equating neoliberalism with market fundamentalism is a dangerous misconception. The conditions for a functioning market are not “naturally” given. Classical liberalism often presupposes the natural superiority of the market to alternative mechanisms of allocation (most notably, central planning), but neoliberalism acknowledges that the conditions for functioning markets must be constructed. Thus, neoliberalism is (up to a certain extent) based upon a constructivist epistemology.⁸ Mirowski & Plehwe (2015) add that neoliberalism is “first and foremost a theory of how to reengineer the state in order to guarantee the success of the market and firms within the market” (p. 162). Adapting a constructivist understanding of neoliberalism can serve as a powerful entry-point to resolve some of the apparent contradictions between neoliberal background ideas and neoliberal practice. For instance, Schmidt (2016) argues that “the contradiction at the very core of neo-liberal background ideas, then, is that while neo-liberal principles demand a highly limited state, neo-liberal practice requires a strong state able to impose neo-liberal reform” (p. 320). Having in mind the argument from above, the neoliberal problematic of functioning markets can very well be addressed by *using the state* as an instrument to reduce trade barriers or enforce property rights. At the same time, however, the neoliberal problematic also requires *limiting the state*, given that certain legislation (such as a minimum wage) interferes in the formation of prices on markets.

Having this problematic at the core of the neoliberal project in mind, the next section will gradually begin to develop a positive understanding of neoliberalism in terms of defining some key features. Essentially, it has been established so far that neoliberalism must not be understood simply as a form of market fundamentalism, quite the contrary. Before advancing, however, it is necessary to briefly dwell on a second common misconception.

Especially after the GFC, many commentators laid their focus on the dangers of supposed “market fundamentalism” and a lack of morality in the markets. Consequently, it was proposed that regulating the market by some moral standard could alleviate the crisis-producing tendencies of capitalism in general and financial markets in particular. However, as Bruno Amable (2011) notes with reference to the aforementioned historical context of neoliberalism’s emergence, it is a misconception to believe that neo-liberalism is devoid of any moral content (p. 4). Quite on the contrary, morals have played a significant role in the formation of the neoliberal project. As mentioned above, most early neoliberal

⁸ Curiously, early neoliberals in this sense acknowledge the Leninist insight that there is no deterministic guarantee that the market will prevail. Rather, one must politically organize to ensure that the market principle will succeed as the central organizing principle of the economy.

thinkers had strong reservations against collectivist political tendencies primarily on moral grounds. As Quinn Slobodian generally argues in his book with the fitting title “Globalists – The end of empire and the birth of neoliberalism” (2020), the neoliberal project in its beginnings was underpinned by the *moral* longings of key actors to restore the societal fabric of the late 19th century. Consequently, the idea that neo-liberal capitalism is amoral (and adverse to regulation) is erroneous (Amable, 2011, p. 27). Amable (2011) adds that, from a critical perspective, it would be a mistake to postulate a completely rational, immoral type of capitalism (p. 14). Additionally, the neoliberal project has been characterized (from a political perspective) by the aim to somehow connect political and economic ideas of with religious moral codes (especially in Margarete Thatcher’s Britain) (Mirowski & Plehwe, 2015, pp. 434–440).

4.4 The key features of Neoliberalism

This section will present some of the key features of neoliberalism identified by the means of a systematic literature review. Obviously, the author by no means argues that the following represents an exhaustive list of characteristics, or even that such an exhaustive list exists in theory and is fully aware of the difficulties of developing a positive understanding of neoliberalism.

Methodological Individualism

As mentioned above, it can be argued that the main “foe” of neoliberalism (Biebricher, 2021, p. 32) are collectivist movements. Consequently, one key neoliberal background idea is that individualism and individual competition is actively promoted, accompanied by an offensive “responsibilization” of the individual (Ronen, 2008). The process of responsibilization can simultaneously be understood as a form of “defensive-hegemonic” strategy. Holding individuals responsible on moral grounds for, let’s say “immoral greed” on wall street, deflects from systemic causes and instabilities inherent in the structure of capitalism. Amable (2011) adds that neoliberalism legitimates individual competition, and actively aims at impeding all attempts to institutionalize collectivist structures (p. 7). Historically, neoliberalism positioned itself against “collectivist” attempts to pacify the class-conflict, especially against the capitalist post-war regimes in the West in the form of social-democratic compromises. The age of “embedded liberalism” (Ruggie, 1982) featured an array of redistributive measures and collective rights for workers, which was then (discursively and politically) attacked by neoliberalism, especially during the presidency of Ronald Reagan in the US and the chancellorship of Margaret Thatcher in the UK. Neoliberal individualism, in a sense, can also be understood “as a norm of life characterized by a generalized competition with others” (Amable, 2011, p. 7) on an individual level. On a methodological level, neoliberals gradually turned to methodological individualism in the course

of the reformulation of neoclassical economics. Notably, Milton Friedman explicitly referred to the concept of the *homo oeconomicus* (and consequently, methodological individualism) in his work on consumption (Friedman, 2008 [1957]), monetary policy (Friedman, 1995 [1968]) and his positivist understanding of economics in general (Friedman, 2007 [1953]). In addition to Milton Friedman's work as an economist, methodological individualism also became the main tool in the more political work of neoliberalism, such as in the work of James Buchanan (1986). Buchanan essentially argued that political actors pursue their (short-term) interests ("rent-seeking"), and consequently argued for constitutional limitations to the power of individual politicians. Crucially, the political process is being understood by Buchanan as the sum of individual action, which is guided by individual preferences.

In general, there is little to no space for collectivist, emergent phenomena in neoliberal theory. Additionally, the "responsibilization" of individuals (Ronen, 2008) can be understood as an *intentional strategy* of neoliberalism to conceal systemic political problems, as exemplified by Margaret Thatcher's moral goal of implementing an "ethics of possessive individualism" (Hall, 2008, p. 175).

Knowledge and Society

It can be argued that the relationship between (the creation of) knowledge, the society in general and the state sits at the very basis of the neoliberal project. In his famous article "The Use of Knowledge in Society", Friedrich Hayek essentially claims that a market-mechanism is far better equipped to handle vast amounts of information than any attempt of (rational) central planning (Hayek, 1945). The basic problem of coordinating knowledge in society for Hayek is that "knowledge of the circumstances of which we must make use never exists in concentrated or integrated form, but solely as the dispersed bits of knowledge [...] which all the separate individuals possess" (Hayek, 1945, p. 519). Consequently, he argues that planning should not be done centrally, but rather by many individuals (*ibid.*, pp. 520-521). No single institution (for example the state) can ever dream of coordinating a complex economy like a decentralized market mechanism due to the limits of human rationality. Importantly, Hayek views the result of a market mechanism as a spontaneous order, which is not chaotic but at the same time impossible to predict (Biebricher 2021, p. 180). To use Hayek's terminology, the "cosmos" (spontaneous order) is superior to the "taxis" (which is a rationally constructed order). In this sense, Hayek's understanding of knowledge is based upon the "wisdom of crowds", which seems anti-elitist at first glance (Mirowski & Plehwe 2015, p. 425). However, the knowledge argument as postulated by Hayek may be used as a justification for implementing the market mechanism in favour of central planning in general and interventionist policies by the state (such as minimum wages) in particular. As a political implication, the "market" (if suitably promoted) is able to provide solutions to problems

which, on first glance, have been created by the market itself. Consequently, the solution for market failures is not to replace it by alternative mechanisms of allocation, but rather to implement *more market mechanisms* (ibid., p. 436).⁹ The commodification of things such as pollution, education or intellectual property are a logical political consequence and neoliberal demand.

In summary, Hayek's basic argument of the superiority of the market for resource allocation and the relationship of knowledge and society in general comes with political implications which are still relevant. Problems seemingly caused by the market may be solved by even "more market" in neoliberalism.

Flat Ontology of the market and the state

Importantly, neoliberalism has a particular ontological understanding of the ontology of the market and the state. Early neoliberals (especially German ordoliberals) viewed the accumulation of too much market power *in general* as problematic (Eucken, 2004 [1952] pp. 300-305). They argued that the state can and should intervene if certain particular interests distort the market, for instance if monopolistic structures arise. However, the suspicious approach to monopolies gradually declined after the second world war, especially due to the theoretical reformulations of neoclassical theory in the Chicago economics department. Mirowski & Plehwe (2015) argue that the discussion about market power began to recede to the background due to Chicago neoliberalism "reducing both state and market to flat ontology of neoclassical economic" (Mirowski & Plehwe, 2015, pp. 161–163). The reduction of the market and the state to a flat ontology here means that the market as well as the state are conceptualized as playing fields for rational actors (firms, politicians), which simply maximize their individual profits. Consequently, the role of firms and companies becomes rather *passive*. The liberal image of the state as a "night-watchman", which occasionally checks on the market was abandoned. The market as such was no longer a separate sphere of society. Rather, the claim has been established that the state as well can be understood as a market (especially by rational choice theory), as will be picked up in the next section. Neoliberal thinkers in Chicago (such as Friedman, Aaron Director and Jonathan Levi) began to formalize economic theory which claims that monopolies are mostly undone by competition. In consequence, neoliberalism adopted an understanding of corporations as impersonal, infallible "approximations" of *the market as such* (ibid., p. 436). It is, by merit of neoclassical economics, no longer possible for firms to misuse their market power since they are just fulfilling their inherent purpose of maximizing profits. Interestingly, the only market participants which have been continuously called out for misusing market power by neoliberalism are trade unions. Trade

⁹ Theoretically, the notion of solving problems caused by the market ("externalities") by market mechanisms is captured (for example) by the coase-theorem.

unions are in fundamental contradiction to the assumption of methodological individualism, consequently “distorting” prices as well as general economic equilibria.

The political implication, naturally, is that firms can never be the culprits of distortions (or crises) in the market system. This line of argumentation features prominently in policy debates, as will be shown in the analysis section.

Redefinition of the State

Essentially, in neoliberalism the state functions as both the *producer* as well as the *guarantor* of a stable market economy (Mirowski & Plehwe, 2015, pp. 434–440). In contrast to the liberal “night-watchman”, the state no longer inhabits a completely passive role, but has to be an active part of the constructivist ambitions of the neoliberal project. Importantly, this raises the problematic for neoliberals that a powerful state could also easily counter neoliberal policies. Consequently, if the instrument of a powerful state is available, it is of utmost importance to defend the hegemonic status of neoliberalism to maintain control over it. However, there are different understanding of what the state should do, and how its power should be constrained in neoliberal theory. Biebricher (2021) differentiates between a “positive” neoliberal agenda, where the state is used as an instrument to deliver on specific policy goals. On the other hand, there are tendencies in neoliberalism which aim at limiting the state in its possibilities to influence policies (p. 55). In terms of a positive agenda for the state, some neoliberals employ the metaphor of the “state as an arbiter” (e.g. Friedman, 2020 [1962]), following the argument that the state itself cannot set the rules for its own functioning. In contrast, approaches to limit the state in its power are often formulated by neoliberals in terms of implementing (constitutional) limits which the state must follow. An example would be James Buchanan’s proposal for amending the constitution in a way that would legally prohibit structural deficits (Buchanan, 1997).¹⁰

In summary, neoliberalism continuously redefines and reconstructs the functions of the state in contrast to liberalism as well as conflicting political and economic schools of thought such as Keynesianism. Neoliberalism uses the state *as a tool* to guarantee the non-intervention in markets, but at the same time also continuously *limits* the power of the state in order to prevent the distortion of neoliberal projects.

¹⁰ For an extensive discussion on the relationship between neoliberalism and the state, the interested reader might look into Biebricher (2020, pp. 54-119)

Constrained and Economistic Democracy

The redefinition of the state as well as the flattening of the ontology of the market and the state come with implications for the neoliberal understanding of democracy. Generally, the relationship between neoliberalism and democracy is complex and sometimes paradoxical. If the state and in particular politics can be understood in analogy to market processes (as suggested for example by public choice theory), activities and motivations of citizens which participate in the democratic process can also be reduced to utilitarian considerations (Mirowski & Plehwe, 2015, pp. 161-163). The function of the democratic citizen is no longer to actively participate in democracy in a qualitative sense, but rather solely casting a vote every election cycle to express individual preferences. Consequentially, some neoliberals (notably Hayek and Buchanan) have been very critical of democratic rule. In his essay “Individual Choice in Voting and the market” (1954), James Buchanan argues that the goals of individual freedom and rationality cannot be realized in a democratic election in the same way as in a market, since individuals can end up voting for a candidate which will not be part of the government, thus “wasting” a vote. The consequence is that rational individuals might not want to bear the “costs” of informing themselves adequately, since they know that their vote will likely make no difference (Buchanan, 1954, p. 342). In a more general way, neoliberalism argues that (representative)¹¹ democracy has the potential to either end in chaos (due to “irrational” elections), or to lead to governments which do not have the interests of the people in mind, but rather their own benefits (Biebricher, 2021, p. 120). Especially Hayek (1980, pp. 2-5) is critical of handing over unlimited power to a government “just” because of a majority decision.

The “solutions” proposed by neoliberalism to solve the problem of irrational, unlimited control by democratic governments (in exaggerated terms) “are based on a combination of enlightened elites and constitutional rules resulting in a limit to democracy” (Amable, 2011, p. 17). As already mentioned, one possibility may be to limiting the power of democratic governments by amending the constitution (Buchanan, 1997). More recently, Wolfgang Streeck (2018) argued that the European Union begins to resemble a “Hayekian Utopia”, and that the structural debts of Western democracies effectively limit their sovereignty (pp. 88-89; pp. 164-165).

It is important to mention one further aspect of the neoliberal understanding of democracy. By cultivating the idea of an almighty government which does not have the well-being of its people as its core interest, but rather maximizing its own benefits, neoliberalism constructed a powerful, anti-elitist “David and Goliath” – discourse (Mirowski & Plehwe, 2015, p. 163). At the same time, however, neoliberal elites very well understand the necessity of limiting the state’s ability to interfere with

¹¹ Some neoliberal theoreticians, such as Hayek and Buchanan, explicitly argued for certain forms of direct democracies.

neoliberal projects. Mirowski & Plehwe call this tension between a general distrust of democracies on the one hand and an anti-elitist discourse aiming at delegitimizing governmental action on the other the neoliberal “double-truth doctrine” (p. 441). Notably, this tension also becomes obvious in the neoliberal core argument about the superiority of the market in its ability to process information. While the knowledge of the many organized in a market supposedly leads to better outcomes than central coordination, “real” democracies imply the danger of “irrational” outcomes (ibid., p. 446).

In consequence, neoliberalism demands a state which is limited to provide services on a contractual basis, transforming active citizenship into a commodity. The role of an active citizen is replaced by the role of a consumer of governmental services, treating politics as if it were a market. From a neoliberal perspective, to avoid that rent-seeking politicians voted in by ignorant masses take over, “the most fundamental rules of economic competition (and public finance orthodoxy) must be shielded from bureaucrats and politicians” (Amable, 2011, p. 17).

In summary, neoliberalism promotes a constrained and economistic understanding of democracy. Citizens are being reduced to consumers, and the functioning of markets must be safeguarded from the particular interests of democratically elected governments.

A neoliberal understanding of Freedom

Another important key background idea of neoliberalism is its particular understanding of the value “freedom” as well as its employment in political debates.

Importantly, classical liberalism upheld the idea that political *freedom* functions as a kind of a prerequisite for *economic* freedom. Early liberals such as John Locke or even Adam Smith claimed that the inhabitants of a polity must be politically free, not necessarily only in a negative sense, for being capable of fully participating in the economy. Neoliberalism, on the other hand, *reverses* this relationship between political and economic freedom (Schmidt, 2016, p. 321). In consequence, the concept of freedom in general is being reduced to economic freedom in a sense that participating in a society is no longer the task of an educated citizen, but rather of a consumer equipped with certain individual preferences. This also implies that the concept of freedom as understood by neoliberalism is limited to an individual level. Freedom is “reframed as self-realization through striving for set of prior wants and desires” (Mirowski & Plehwe, 2015, pp. 161–163). Note that the individual’s wants and desires are *prior*, implicating that the exercise of freedom does not require any interaction with fellow citizens. Individuals are posited as autonomous and self-governed, following a neoclassical version of rationality (ibid., p. 437). Moreover, freedom as an individual value trumps all other virtues in neoliberal discourse. In this sense, political debates about what is the “right” thing to do (and more generally about morality) are often reduced to a discussion around the notion of “freedom”, and alternative values (like solidarity or equality) are omitted from discussion from the start.

The concept of “freedom” itself has also been heavily recoded and reduced by neoliberalism. In neoliberal discourse, freedom is almost exclusively being understood in a negative sense, meaning that the individual must be free from (state) coercion. However, freedom also has positive dimension in a sense that individuals are “free to do something”, being able to act upon their free will (Berlin, 2002 [1969]). This recoding of the term “freedom” has transformed it into a discursive weapon for neoliberalism against any kind of unwanted state activity and intervention. Hartz (2012) argues that neoliberalism defended the status quo in times of crisis by constructing a discourse of “defence of freedom” (Hartz, 2012, p. 141).

Generally, neoliberalism has a particular, negative understanding of freedom which is often being used in neoliberal discourse to confront state intervention. Furthermore, the value of (negative) “freedom” trumps all other values and virtues, reducing moral discussions to this sole dimension from the beginning.

Free flow of Capital

Next, the discussion will turn to the neoliberal attempts to guarantee and safeguard the continuous free flow of capital across borders.

As discussed extensively by Quinn Slobodian (2020) in his book “Globalists - The end of empire and the birth of neoliberalism”, early neoliberals attributed the demise of the liberal world order at least partially to the rigid system of nation states and economic nationalism in a sense of erecting trade barriers. They presumed that capital must be allowed to flow freely across borders, and that international (capital) markets must be kept functional at any costs. Notably, on a global economic level, this implies balance-of-payments problems and resulting economic inequalities (in terms of debt relationships) between countries. Politically, a need for the economic and political disciplining of nation states arises. After all, to guarantee the functioning of international capital markets, there must be some sort of coercive mechanism to make sure that countries do not default on their debts. Historically, the neoliberal problem of how to make sure that nations with a negative balance-of-payment do not in some form impede the free flow of capital has been achieved either via international institutions (of the so-called “Washington Consensus”), or via “pure market discipline” (Mirowski & Plehwe, 2015, p. 438). The latter case can be observed in the years following the crisis, when countries like Greece simply had no choice to default on their debts and erect capital controls since “the markets” would have retaliated by draining all liquidity from national banks and financial institutions. Moreover, it is important to note that while neoliberalism strongly emphasizes that capital must flow freely across borders, it cannot be said that the same is true for labour. This is especially interesting since corporations are legally considered individuals. Nevertheless, neoliberals maintain that

corporations must be allowed to freely “choose” their jurisdiction, which in practice often leads to regulatory “races to the bottom” and to an international “competition” of corporate-tax systems.

As established above, neoliberalism claims, in contrast to classical liberalism, that corporations cannot do wrong, since they are essentially equated with “the market” as such (ibid., p. 439).

Finally, the notion of keeping borders open for capital and ensure that it can flow freely across the world has produced significant economic, social and ecological tensions. Consequently, the modes of governance necessary to maintain the free flow of capital become more and more authoritarian, since neoliberalism on a political level must somehow displace “the contradictions and tensions created by globalisation, financialization and austerity capitalism” (Kennett & Dukelow, 2018, p. 459).

Overall, the goal of neoliberalism to guarantee the free flow of capital within and across borders comes with political implications like balance-of-payments problems and economic inequalities. The resulting economic, social and ecological consequences requires the neoliberal modes of governance to become increasingly authoritarian.

Justice of Opportunity

Finally, the task remains to briefly discuss how neoliberalism addresses the question of justice and the connected issue of inequality. In general, neoliberalism relies on the concept of “justice of opportunity”, which essentially means that a society can be considered just as long as there are no inequalities in individual starting points (Novy et al., 2020, p. 32). In neoliberalism, the concept of justice of opportunity and consequentially “equality of opportunity” is serving as a substitute for other conceptions of justice (e.g. equality of outcome). The neoliberal understanding of equality of opportunity is closely connected to the understanding of the modern individual as a “supply-side citizen” (Amable, 2011, p. 24). The basic idea is that individuals must have equal opportunities to “invest” in their skills, consequentially allowing them to successfully participate in the labour market and accumulating different forms of capital. Importantly, full citizenship is “an achievement, not a status” (ibid., p.25). As long as individuals are not significantly disadvantaged from the start of their lives and have the possibilities to acquire the necessary skills to persist on the labour market, a society can be considered as just, independent of how resources are distributed as an “outcome”. Amable (2011) adds that such an understanding of justice leads to “an ethos of merit, effort and self-discipline that justifies inequalities of situations” (p. 25)¹². Moreover, “the reference to justice and ethics makes it possible to reduce the political struggle to a debate about what is fair and unfair” (p. 25). If, in theory,

¹² For the sake of coherence, this section on neoliberalism will not dive into the vast literature on which subjectivities are being produced by neoliberalism and neoliberal modes of governance. The interested reader may have a look at Boltanski & Chiapello’s “The new spirit of capitalism” (2007).

everybody has the same possibilities to succeed in life (“fair competition”), the outcome of such game (no matter how unequal a society), cannot be challenged anymore on moral grounds.

Finally, with respect to the unequal *outcome* of market processes, Neoliberalism often argues that inequality (to a certain extend) is even *necessary and desirable* for the functioning of a society, since they work as a force of progress in the sense that innovative and “performing” individuals can reap the benefits (Mirowski & Plehwe, 2015, pp. 439–440).

To summarize, neoliberalism reduces “justice” to “justice of opportunity”. This understanding leads to the promotion of self-discipline and merit, and implicitly justifies unequal outcomes of market societies.

4.5 The Strategicality of Neoliberalism

Before finally being able to conduct the analysis of the speeches, thereby empirically tracing how neoliberalism and neoliberal discourse has changed over the crisis, one further aspect must be briefly discussed. During this paper, it has been repeatedly claimed that neoliberalism has a *strategic* component as well as some sort of directed *agency*. This claim needs to be defended. It must be noted, however, that it is not the main goal of this paper to develop a theoretical argument of how neoliberalism adapts strategically. Rather, the following remarks may be understood as a theoretical framework to embed the empirical finding that neoliberalism indeed adapted its discourse over the crisis, as will be shown in the analysis section. To put it differently, the claim that neoliberalism adapts in an ideologically flexible, strategical way to maintain its hegemony will be defended primarily on empirical grounds.

Generally, Harvey (2011) claims in his book “A brief history of neoliberalism” that the neoliberal project is primarily driven by international and national dynamics of class power. While the positive definition of neoliberalism developed above suggests that this is by far not the whole part of the story, the idea that neoliberalism can be understood “as an ideological or theoretical utopia driven by ideas of free and competitive market forces” (Kennett & Dukelow, 2018, pp. 457-458) has some merit. The idea of an ultimate neoliberal “utopia” implies that neoliberalism and neoliberal policies are generally directed at a certain goal (of a higher order than immediate policy goals). Kennet & Dukelow (2018) propose to speak of the process of “neoliberalization” to capture the idea that neoliberalism “is continually made and re-made rather than a static, ahistorical set of ideas, policies and programmes” (p. 455). At the same time, however, said key features proved to be remarkably stable in neoliberal discourse over the years of crisis, as will be shown in the analysis section. This seems to indicate that a strategic dimension of neoliberalism is anchored in an ideological utopia of a higher order, while more immediate policies

and neoliberal discourse are adapting in a flexible way. This flexibility of a lower order is also being reflected in the argument that the history of neoliberalism “is not one of smooth linear development or one in which ideas are transplanted from core ideological locations and actors to peripheral regions” (Kennett & Dukelow, 2018, p. 455). Context, geographically as well as temporally, matters. For this reason, it would be ill-founded to understand neoliberalism as a “pure” ideology, inflexibly adhering to certain principles independent from its circumstances (Farnsworth & Irving, 2018, p. 464). Harvey (2011) emphasizes the strategic capacity of neoliberalism by stating that “the theoretical utopianism of [the] neoliberal argument [...] has primarily worked as a system of justification and legitimation for whatever needed to be done” (p. 19). The claim that neoliberalism is pursuing “whatever needs to be done” does not contradict the endeavour to define some core philosophical background ideas from above, because it refers to a more immediate policy-level. The core ideas serve as an ideological anchor point for neoliberal discourse and policies, which themselves are flexibly adapted. To give an example, the goal to keep capital flowing across borders can be achieved by a variety of specific measures, dependent on the political and cultural context. Consequently, the concept of ideological flexibility may be understood as follows: discursive and political actions to defend the neoliberal hegemony are flexible, but not random. They are always ideologically underpinned by core philosophical background ideas.

Moreover, the strategic approach to promote certain background ideas can be empirically traced in the work of many early neoliberals. Mirowski & Plehwe (2015) argue that the trajectory of the neoliberal project was not yet clearly defined in its infancy. They claim that, for instance, the development of a new kind of monopoly-theory in the Chicago school of economics was clearly driven by the need to respond to the explicit foe of “scientific socialism”, and the left’s understanding of monopoly in general (pp. 213-215). Interestingly, Mirowski & Plehwe define neoliberalism by employing the idea of a “thought collective”, which can be understood as a “Russian doll” with various shells (such as private special purpose foundations, think tanks and academic institutes), integrating theoretical research and academic practice. Crucially, the neoliberal “thought collective” aims at the “re-education of all parties” (p. 434), and its relation to capitalism is not simply apologetic (Mirowski & Plehwe, 2015, pp. 431–434). The explicit aim of this “re-education of all parties” is consistent with the argument that a hegemonic project must focus on the production of consent in democratic systems, as introduced in the section on hegemony. It follows that in order to rally a broad coalition behind its core ideas, neoliberalism must strategically and flexibly choose the adequate discursive means, dependent on the specific context. To provide an example, neoliberalism in the US often utilizes a discourse of “defending individual freedom”. In contrast (as will be shown in the analysis), in neoliberal post-crisis discourse in Europe, the moral accusation that some countries have lived “beyond their means” has been extensively employed. Both arguments are ideologically anchored in

the neoliberal background idea of the superiority of the market, implying a necessary redefinition of the state. *Strategically*, however, the respective historical and geographical context requires different discursive and hegemonic approaches. In a similar vein, Jessop (2015) argues that the “selection” of certain crisis narratives is not as much about the “[...] resonance, argumentative force or scientific merit” (p. 99) of conflicting worldviews, but rather a question of *strategic neoliberal agency*, consciously reconstructing neoliberalism’s discursive elements in times of crisis.

5. Analysis

As outlined in the previous section, the first step of analysis consists of reconstructing the practical argument presented by the speakers to the respective parliaments. Each of the speeches has been analysed line by line, thereby identifying the various types of *premises* informing the *claim for action*. However, for the purpose of focussing on the relevant in this section, the line-by-line analysis has been moved to the annex.¹³ In the following, the reconstructed practical arguments will be schematically presented based upon the schema introduced in the method section. Importantly, the statements made by the speakers will not be critically evaluated in terms of fact-checking empirical and/or theoretical claims, but rather used to construct the *economic (as-if) imaginary*, as explained in detail in the method section. Primarily, it is not of interest if the arguments brought forward are *sound* (from a rational and dialectical perspective), but rather how discourse *changed* over time. In a second step, the *economic (as-if) imaginary* will be constructed and presented by using a relational approach. For the sake of clarity and coherence, the *economic (as-if) imaginaries* will not be constructed separately for each country and period of time, but rather only once for the period of time *before* the crisis, and once for the period of time *after* the crisis. The author is aware of the fact that this means that country specific differences will get lost, and that a comparison of the *economic (as-if) imaginaries* between countries will no longer be possible. However, the central question of this paper is how neoliberal discourse has changed in *Europe*. Consequently, the author feels confident in defending the generalizing step to mesh the German, the British and the European case together. Finally, the resulting *economic (as-if) imaginaries* will be critically compared with the positive understanding of neoliberalism as developed in the previous chapter.

¹³ The author encourages the curious reader to take a look at the line-by-line analysis in the annex. While political speeches in parliaments are often rather technical, they nevertheless come with interesting insights on how political agents frame their arguments to promote a certain type of action.

5.1 Argument reconstruction

At first, let us take a closer look on the practical argument brought forward by Gordon Brown as Chancellor of the Exchequer for the labour party on March 22nd, 2006. Figure 3 depicts Mr. Brown's practical argument and deliberation over potential alternatives.

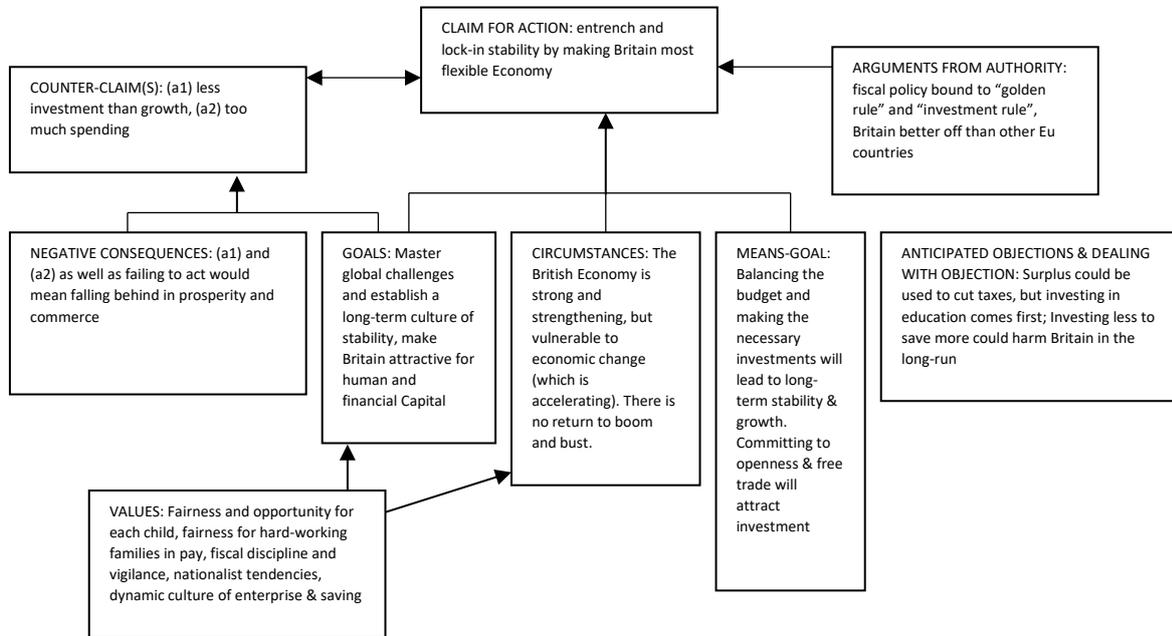


Fig. 3: Chancellor Gordon Brown's practical argument in his budget speech 2006

Mr. Brown advances the *claim for action* that policies should entrench and lock-in stability by taking no risks in the fight against inflation and balancing the budget. Necessary investments must be made but should be aligned to rigid fiscal rules (not investing more than the economy is growing, keeping the level of debt/GDP constant). By pursuing active labour market policies, supporting world trade as well as the dynamism and enterprise of businesses, Britain should become the most flexible economy. Moreover, industrial policy should become more independent from the government, and some public assets should be sold and released. The *counter-claim* of investing even less than the economy is growing would have the (relatively abstract) negative consequence of falling behind in commerce and prosperity. The *circumstances* in which Britain finds itself are that the economy is strong and still strengthening due to years of uninterrupted growth. However, the pace of economic change is accelerating, and Britain's economy is generally prone to high levels of inflation. Importantly, the speaker claims that the era of boom and bust is over, which (ironically) implies that there will not be a cyclical crisis ever again. Finally, Britain is committed to openness and free trade, and can bank on a strong fiscal position. The explicit *goals* of the action proposed by the speaker are to strengthen the British economy even further and to master the global challenge of economic change. Moreover, a long-term culture of stability should be entrenched, and Britain shall become an attractive place for

location for financial as well as human capital. The corporate tax system must be revised in a way that is globally competitive, and all young people should be in education in the long-term. The *goals* mentioned are informed by the *values* of “fairness” and “opportunity” for the next generation (intergenerational justice) and for hard-working families. The speaker sketches meritocratic values, where the hard-working must be the beneficiaries of an era of great change. Importantly, the commitment to free trade and open markets is justified by the claim that business knows best how to invest, and therefore investment policies should be based on businesses’ own priorities (which can be seen as a *value-premise*). For example, Britain’s employers need a flexible and high-skilled workforce in the future. Additionally, Britain can be proud on its entrepreneurial, enterprise and saving culture. In this sense, the *goal* of making Britain the most flexible economy is underpinned by cultural *values*. The *value-premise* of nationalism also informs the *goals*, and investment in security and the military should rise. Finally, individual choice must be promoted. The *means-goal premises* are that long-term stability and growth can be achieved by the fiscal policies of balancing the budget while making the necessary investments. Moreover, backing the enterprise culture and establishing a competitive tax system serves to attract private investment and making Britain the location for international business, thereby mastering global challenges. The *claim for action* is supported by the *argument from authority* that Britain is well off in comparison to other EU countries.

Secondly, the practical argument developed in the 2016 budget speech held by George Osborne will be subject to further scrutiny. A schematical overview is depicted in figure 4.

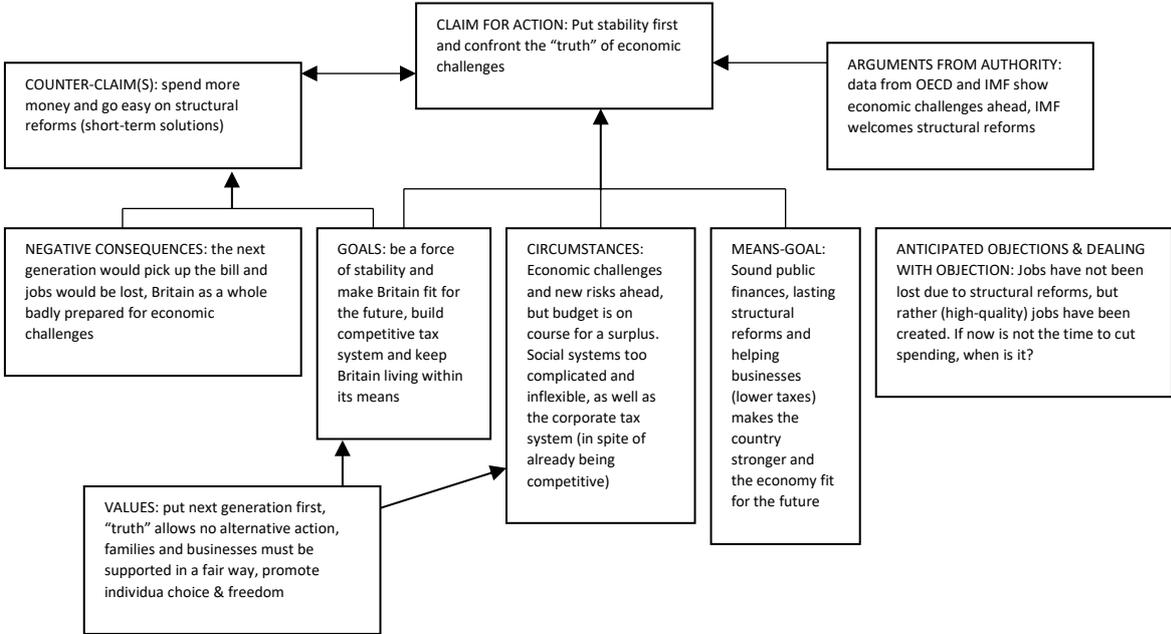


Fig. 4: Chancellor George Osborne’s practical argument in his budget speech 2016

The *claim for action* brought forward by Chancellor of the exchequer George Osborne in his budget speech in 2016 is to put stability first and act on economic challenges by confronting the “truth”. Moreover, he proposes to reform the corporate tax system (lowering taxes and duties), to save more and borrow less and argues for better targeting welfare benefits and keeping the pensions system sustainable. Acting determinately and fixing the plans to fit the figures further includes reducing the public share of income and increasing security at home and abroad. Besides that, he also makes the case for helping the oil and gas sector, implementing structural reforms and reforms of the educational sector as well as a radical devolution of power. The *counter-claim* of spending more money and going easy on structural reforms would only “fix” problems in the short-run, and would mean that the next generation would have to suffer from unsustainable public finances and job losses. Britain finds itself in the *circumstances* of turbulent financial markets, too low productivity growth in the “West” and general economic challenges ahead (which represent the “truth” Britain has to confront). The outlook for the global economy is weak, and due to further loosened monetary policy there is a drag from the GFC around the world. While banks have doubled their foreign exchange reserves and capital ratios, the public share of income (40%) is too high. Britain can bank on a very competitive tax system in international comparison. Additionally, there is the problem that many young people have no pensions and savings because the pension system is too inflexible and complicated. The *goals* of the proposed *claim for action* are to become a force of stability in the world, making the British tax system even more competitive and Britain fit for the future, and generally to help businesses to create more jobs. The British tax system should be among the lowest in the world, and taxes should be cut especially for small and medium enterprises (SMEs). Moreover, Britain must keep living within its means to not repeat the mistakes of the past.

The *goals* are underpinned by the *value-premises* of intergenerational justice (putting the next generation first) as well as delivering real opportunity to help working people. The best way to help working people is to let keep them more of what they earn, i.e., to cut taxes on labour. Moreover, it is argued that sound public finances, lower taxes on business and investing in education is what conservatives should always choose. Importantly, the confrontation with the “truth” of economic challenges implies that there are no alternatives to the proposed action. More jobs and lower inflation should be delivered for families in a “fair” way, and people should not be left behind. Cutting taxes is being justified by arguing that corporation taxes are distortive and unproductive, and by noting that businesses want simpler tax systems, which can also be understood as a form of a *value-premise*. Finally, the social security system in general and the pensions system in particular should be reformed in a way that gives people more “choice” and “freedom”. The *means-goals* premises are that sound public finances, lower taxes and structural reforms help businesses and secures families, making Britain fit for the future. Additionally, Britain living within its means and letting working people keeping more

of what they earn leads to more private investment and thereby jobs. The practical argument brought forward is supported by the *arguments from authority* of citing data from the OECD and the IMF, claiming that both have welcomed the changes and reforms. The *objection* that jobs would be lost due to spending cuts is being dealt with by arguing that rather, more jobs (of high quality) have been created. Furthermore, the *objection* that now is not the right time to cut government spending is countered by the allegation that, according to the opposition, the right time to cut expenditures never comes.

Now, let us turn to the speeches brought forward to the German Bundestag. Firstly, the practical argument developed by Peer Steinbrück in his budget speech in 2007 will be analysed. In analogy to above, an overview is presented in figure 5.

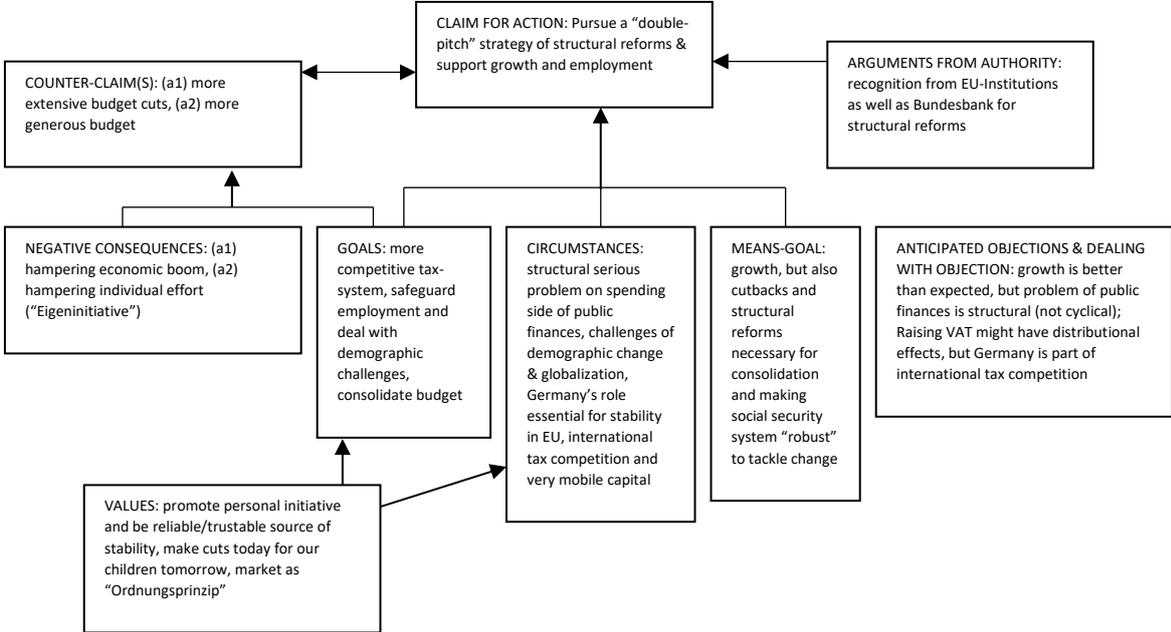


Fig. 5: Chancellor Peer Steinbrück’s practical argument in his budget speech 2007

In his budget speech delivered to the German Bundestag in 2007, then chancellor of the exchequer Peer Steinbrück advances the *claim for action* for a “double-pitch” strategy, including implementing structural reforms and the consolidation of public finances on the one hand, and a focus on promoting growth and employment on the other hand. Specifically, he proposes to raise the VAT to generate more revenues. The *counter-claims* are to either implement more extensive budget cuts than proposed (which would have the consequence of impeding economic growth) or to pass a more generous budget, which would hamper individual effort (“Eigeninitiative”) and could lead to unsustainable public debts. The *circumstances* in which the German economy finds itself are being described as follows. The state of public finances is serious, and there are structural problems on the spending side of public finances in terms of a too expensive social security and health system.

Demographic change and globalization are presented as unavoidable challenges, which make decisive action necessary. Moreover, Germany has committed to the EU's stability and growth pact, which prescribes the consolidation of public finances by merit of the Maastricht criteria. It is also noted that there is intensive competition on German markets, and that the mobility of capital as well as international tax competition must be recognized when designing fiscal policies. Lastly, it is claimed that Germany, due to its economic power, serves as a role model in the EU and that the state of the German economy is essential for the stability of the whole Union. The explicit *goals* of the proposed *claim for action* are to make the German tax system more competitive and transparent, to safeguard employment and, more generally, to tackle demographic change as well as structural change on labour markets. Specifically, the speaker issues the *goal* of consolidating the budget and complying to the Maastricht criteria by the end of the year (2007), thereby serving as a role model for all member countries in the EU. The *goals* are underpinned by the following *values*. Firstly, the government wants to be a "reliable", "trustable" and "credible" source of providing stability, but also solidarity. Moreover, today's cuts are being framed in a way to serve our children, which (again) can be understood as the *value* of intergenerational justice. Importantly, the speaker claims that the market should work as an "Ordnungsprinzip" for the economy, but not in all spheres of society. Additionally, a high (effective) tax rate is being described as "bad". Then, it is claimed that the problem of an ageing society must be tackled (by reforming the pensions system) since it is a problem of "hard numbers" and not a question of ideology. Consequently, there is no alternative to cutting expenses. Finally, it is noted that while it is important that everybody has the same (starting) opportunities, equality of outcome is explicitly not the goal. The *means* to achieve *goals* are to reform the social security system to tackle change, cut back expenditures for consolidating public finances and promote growth in the long run as well as reducing the cost of labour for promoting employment. The argument is being supported by quoting a study from the Bundesbank as well as EU institutions which express respect for the measures to consolidate public finances. Finally, the *objections* that raising the VAT could have distributional effects because it is an essentially regressive tax is being countered by the argument that one has to be realistic, and that Germany is part of an international tax competition.

Next, the budget speech by Wolfgang Schäuble in 2014 will be analysed. An overview is provided in figure 6.

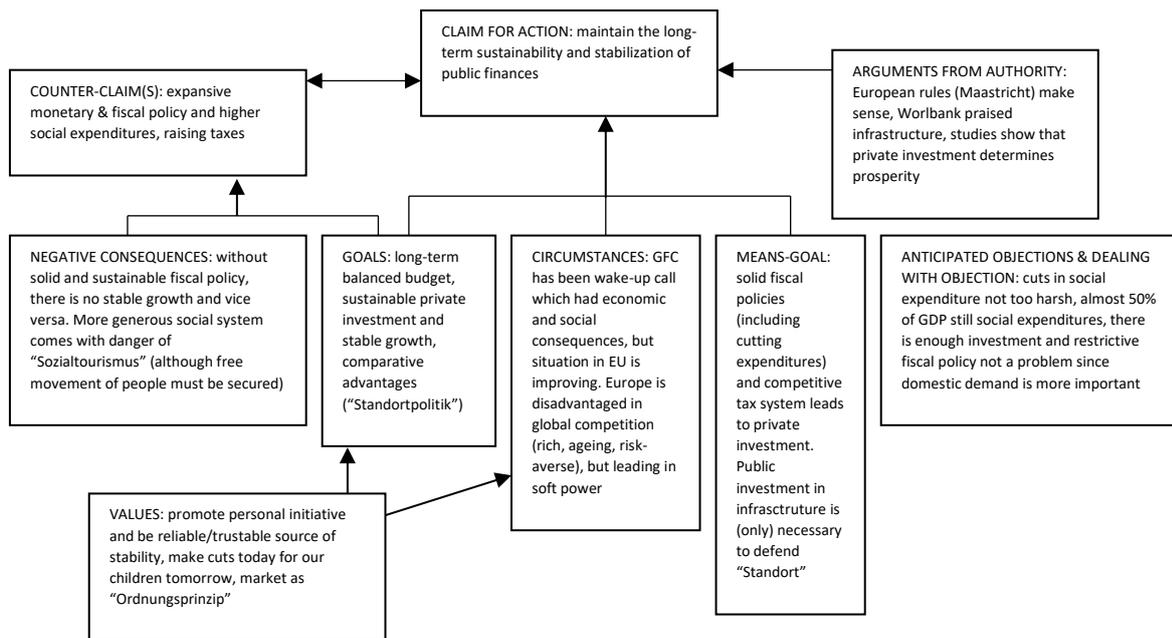


Fig. 6: Chancellor Wolfgang Schäuble's practical argument in his budget speech 2014

In Wolfgang Schäuble's practical argument brought forward to the German Bundestag in 2014, the central claim for action is to maintain the long-term sustainability of public finances by further pursuing fiscal stabilization and solid, trust-generating fiscal policies on all governmental levels. Expenditures should be cut further, necessary investments in infrastructure and education must be made while not raising taxes, and venture-capital should be supported ("Fondsstandort Deutschland"). The negative consequences of the *counter-claim* to spend more money on the social security system or raising tax rates for business would be endangering stable growth, hurting SMEs (and, in consequence, employment and the economy) and attracting more people into the German social security system ("Sozialtourismus"). The current *circumstances* are that the GFC has been a wake-up call for the EU, after which deficits in the whole Union shrunk, competitiveness rose and Europe returned to growth. However, over the years of crisis, countries with lower social costs such as China and India caught up, and Europe is generally disadvantaged in global competition due to too high social expenditures, demographic challenges and risk-aversity. At the same time, Europe is leading in "soft power", and its model of combining a market society with social objectives ("soziale Marktwirtschaft") is internationally attractive. Finally, while (youth) unemployment is still high, the program countries (including Greece) are on a path to recovery. The *goals* of the proposed action are to establish a permanently balanced budget as the new normal in a 21st century economy. Moreover, in the long run, private investments are to be preferred over public investments, since only private investment can guarantee stable growth. Comparative advantages must be further manifested to attract investments and capital, and a general climate of investment, consumption and innovation should be established. The *goals* are informed by the following *value-premises*. More expenditures do not mean

more “happiness” due to diminishing returns, and achieving a balanced budget must not be understood as an “art”, but should rather be the normal (“solides Handwerk”). In general, countries should stick to the rules (as exemplified by the Maastricht-criteria). With respect to the labour market, the health system and the pension system, the individual performance of citizens should not be underestimated, and the state should not act paternalistically. Importantly, the challenge of globalization and change must be dealt with by making the right investment, and leaving the rest to the market, since it is exceptionally good in processing new information, as Hayek already argued. Finally, while democratic participation is important, it must not lead to abuse by particular interests (“Lobbygruppen”). The *means* to achieve specific *goals* are that limiting expenditures and solid fiscal policies are necessary for sustainable growth, and that developing a competitive tax system as well as generating trust by sticking to the (Maastricht-) rules is a precondition for private investment. Supporting venture capital and facilitating securitization should make Germany more attractive for financial capital (“fondsstandort”), and investments in infrastructure mainly serve the *goal* of attracting business. Notably, it is also argued that a solid economic performance and efficient use of (financial) resources are the precondition for a sustainable welfare state (“first generate, then distribute”). The argument is strengthened by the *argument from authority* that Worldbank as well as international studies are complimenting Germany’s efforts to consolidate the budget. Moreover, it is claimed that “international studies” show that only private investment (in contrast to public investment) determines growth and prosperity in the long run. Finally, the potential *objection* that cuts in social expenditures are too harsh are countered by citing that almost 50% of the budget still goes to social expenditures. Moreover, the criticism that derivatives are precisely the financial products which caused the GFC is rebutted by the claim that it is not the instrument itself which failed, but rather its abuse by individual actors.

Finally, the analysis now turns to the speeches delivered to the European parliament. José Manuel Barroso’s practical argument brought forward on the mid-term Lisbon report in 2005 is presented in figure 7.

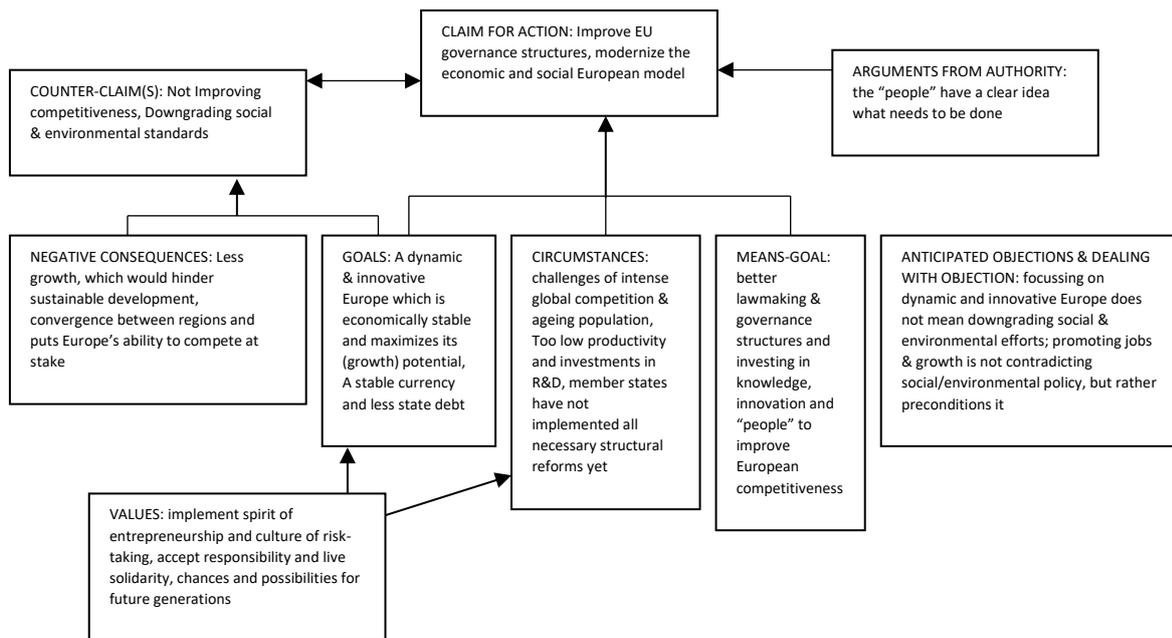


Fig. 7: José Manuel Barroso's practical argument on the mid-term Lisbon report in 2005

The practical argument made by then President of the Commission José Manuel Barroso in 2005 has as a central *claim for action* that the EU's governance structures must be improved, and Europe's economic and social model modernized. Moreover, the spirit of enterprise must be encouraged by implementing labour market as well as tax system reforms, investments in knowledge and innovation and enhancements in productivity, all while maintaining high social and environmental standards. The *negative consequences* of not improving competitiveness would be that the regions do not converge in terms of economic output, that social as well as environmental goals slip out of hand and that Europe's capability to compete and thereby future prosperity is at stake. The *circumstances* are described by the speaker as follows. Europe is facing the challenge of intense global competition and an ageing population, as well as suffering from too low productivity and spending on research and education. Moreover, some member states have not yet implemented necessary structural reforms, and the full potential of Europe's economies has not been realized. Other regions like the US enjoy a competitive advantage over Europe. The *goals* of the proposed action are to build a dynamic and innovative Europe with high levels of growth and employment, fulfilling its economic potential to the maximum. The culture of entrepreneurship and risk-taking must be strengthened, and a simpler and fairer tax system and unbureaucratic economic legislation should be established. The labour market should be more flexible, and a social dimension of economic growth should improve the quality of life and standard of living. To secure growth and finally more jobs, Europe must get a competitive advantage over other regions. Those *goals* are informed by a variety of *values*. Firstly, individual, personal initiative and responsibility should be encouraged to better establish the spirit of entrepreneurship. Additionally, European solidarity should guide policies. A decent start with equal

opportunities for every child as well as guaranteeing that the future generation has better living condition than ourselves again implies the *value* of justice of opportunities as well as intergenerational justice. Notably, poverty can only be fought by making sure that the economy grows, and growth in general serves as a precondition for achieving social and environmental goals. Finally, it is argued that what matters most to people is a chance to work (in contrast to, for example, a decent quality of living), and that “creativity” should be promoted.

The *means-goals premises* are that better law-making and governance structures improve competitiveness, and that the European philosophy of developing a process of synergy between economic, social and environmental strategies could be a competitive advantage. Further, by eliminating protective fences sector by sector, the maximal potential for growth in Europe can be unlocked. Finally, the *objection* that a focus on a dynamic and innovative Europe could mean downgrading in social or environmental areas is not true, and that actions to promote growth and jobs rather serve as a precondition for social and environmental goals. For example, fighting unemployment is the best mean against poverty. Additionally, reforming economic governance processes has not the intention of building ponderous mechanisms of reporting and sanctions, but rather are a precondition for maximizing Europe’s competitiveness.

Finally, José Manuel Barroso addressing the European Parliament in a speech regarding the European Semester will be subject to closer analysis. Figure 8 provides an overview.

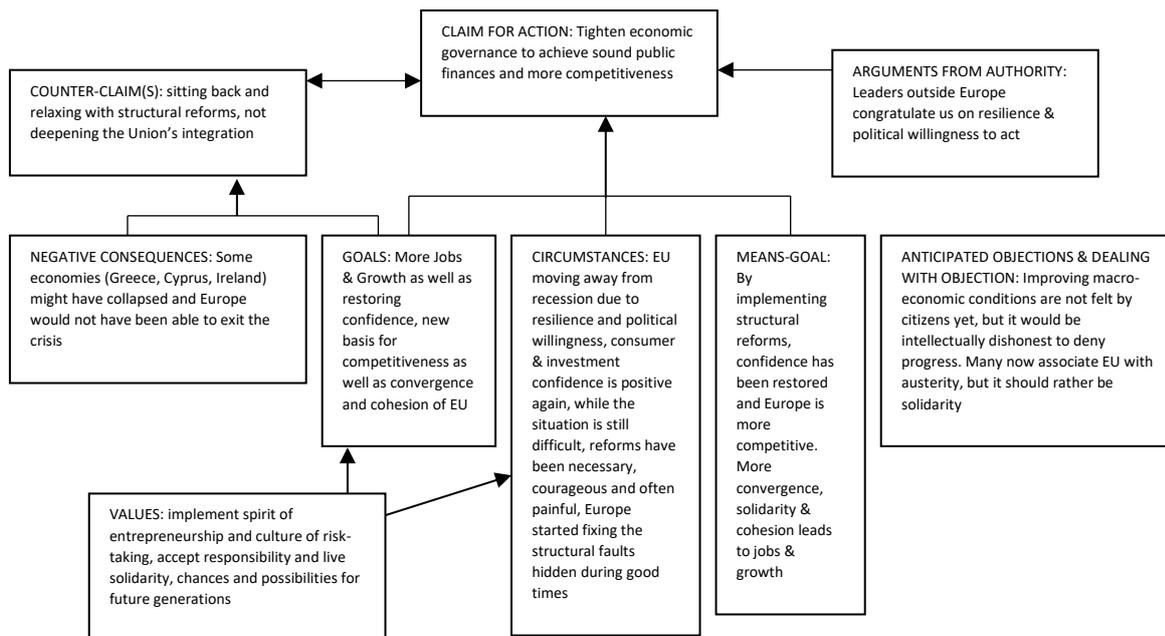


Fig. 8: José Manuel Barroso's practical argument on the European Semester 2014

The main *claim for action* advanced in then still president of the European commission José Manuel Barroso in 2014 is to tighten economic governance to implement a system of increased coordination to learn from the crisis as well as to entrench sound public finances in Europe. Moreover, governments should continue to implement structural reforms for more competitiveness (especially modernizing the labour market) as well as reducing regulatory burdens, simplifying the tax system, redirect the tax burden away from labour and invest in research and development. The negative consequences of the *counter-claim* of “sitting back and relax” on structural reforms and not deepening the Economic and Monetary Union would be that some economies (such as Greece, Cyprus and Ireland) could collapse when the next crisis hits. The *circumstances* in which the European economy finds itself are the following. In recent years, the collapse and the disintegration of Europe was on the table, but currently the Union is moving away from recession. Consumer and investment confidence is positive again, and Europe is being viewed as resilient and stronger than before the crisis. While the situation in some member countries is still difficult, the financial sector as well as the system of economic governance has been overhauled. Generally, the Union has started to fix the structural faults which lay hidden during the good times. The economic dimension has been added to a range of policy areas, deficits have been cut in half and reforms for more competitiveness are on track. The *goals* of the proposed *claim for action* are to restore confidence (of consumers and investors), promoting more jobs and growth in general and making sure that young Europeans have good quality jobs and education. Additionally, the Economic and Monetary Union should be deepened and a new basis for competitiveness in Europe must be prepared to confront a competitive world. The *values* which underlie said *goals* are that of (European) “solidarity” and “resilience” as well as being aware of a

“responsibility” to deliver. Moreover, the structural reforms have been necessary, painful and courageous, and in general without alternative. While before the crisis, some governments thought they could excessively spend money, the need for sound finances is now entrenched. In general, the crisis has endowed Europe with the political will to make the necessary reforms together. Importantly, Europe has shown “the market” that there is significant willingness to do what is necessary. The specific *means* to achieve related *goals* are firstly, that fiscal and structural reforms lead to further restoring confidence and more competitiveness. Additionally, investments in education, research and development support the creation of jobs as well as promoting growth. Finally, further pursuing convergence, solidarity and cohesion can also lead to more employment and more growth. The *claim for action* is further supported by the *argument from authority* that leaders outside Europe congratulate us on resilience and the political willingness to act as well as on the courageous reforms. Finally, the *objection* that citizens are not yet feeling the improvements in macro-economic conditions is being dealt with by the claim that denying progress would be inaccurate and intellectually dishonest. Moreover, while many might object that the EU is now associated with austerity, it should rather be associated with solidarity due to the significant funds invested.

5.2 Construction of the economic (as-if) imaginary

As announced above, now is the time to construct the *economic (as-if)* imaginaries. As explained in detail in the section on the theoretical framework, the central idea underlying the concept of an imaginary is that discourses may not only be understood as a way of representing the world (and social reality), but also as a way of *what it should be*. To briefly reiterate, imaginaries can be understood as “representations of the non-actual”, describing “a possible future” (Fairclough & Fairclough, 2012, p. 103). Secondly, while an *economic imaginary* describes how agents view a possible future, an *as-if imaginary* describes how agents depict the world *as if they were already reality*. To recapture, as-if imaginaries are useful analytical tools to see how agents frame and construct the circumstances emerging from the crisis, used to justify certain claims for action. Figure 9 presents pre-crisis elements of the *as-if imaginary* (left side) as well as of the *imaginary* (right side) and can be understood as an ideational web. In simpler terms, the reader may read the figure in terms of thinking of the left side as how the speakers imagine, frame and represent their view on the current state of affairs. The different elements are clustered in “challenges & problems” at the top and “optimism” at the bottom, with two rather neutral assessments in between. On the right side of the figure, the reader may find an overview of how the speakers *imagine* a possible future, to which their proposed policies should lead. Clustered around “pre-crisis imaginary” are the key elements, which partially are rather abstract. Moreover, there are three additional clusters of elements which popped up regularly in discourse. At the top,

there are some elements of how the speakers imagine a future European economy in relation to “International competition”. At the very bottom, there are some more specific policies of *how to realize* the imaginary. At the very right, there are some elements which have been clustered in the broader category of “macroeconomics”. It should be noted that the elements could have been clustered differently. At the same time, however, the author hopes that, in the next step, this clustering will be helpful to recognize changes (from pre-crisis to post-crisis) in the *economic (as-if) imaginaries*. Finally, in the middle, the reader may find the key values which underpin the *economic (as-if) imaginaries* (as depicted by the arrows). As argued in the method section, the *value-premises* are especially interesting to identify neoliberal elements in practical arguments. Notably, the elements themselves will not be discussed in detail yet but rather in the next step, when 1) *neoliberal elements* will be identified and 2) the elements of *pre-crisis* discourse will be critically compared with elements from the *post-crisis* discourse.

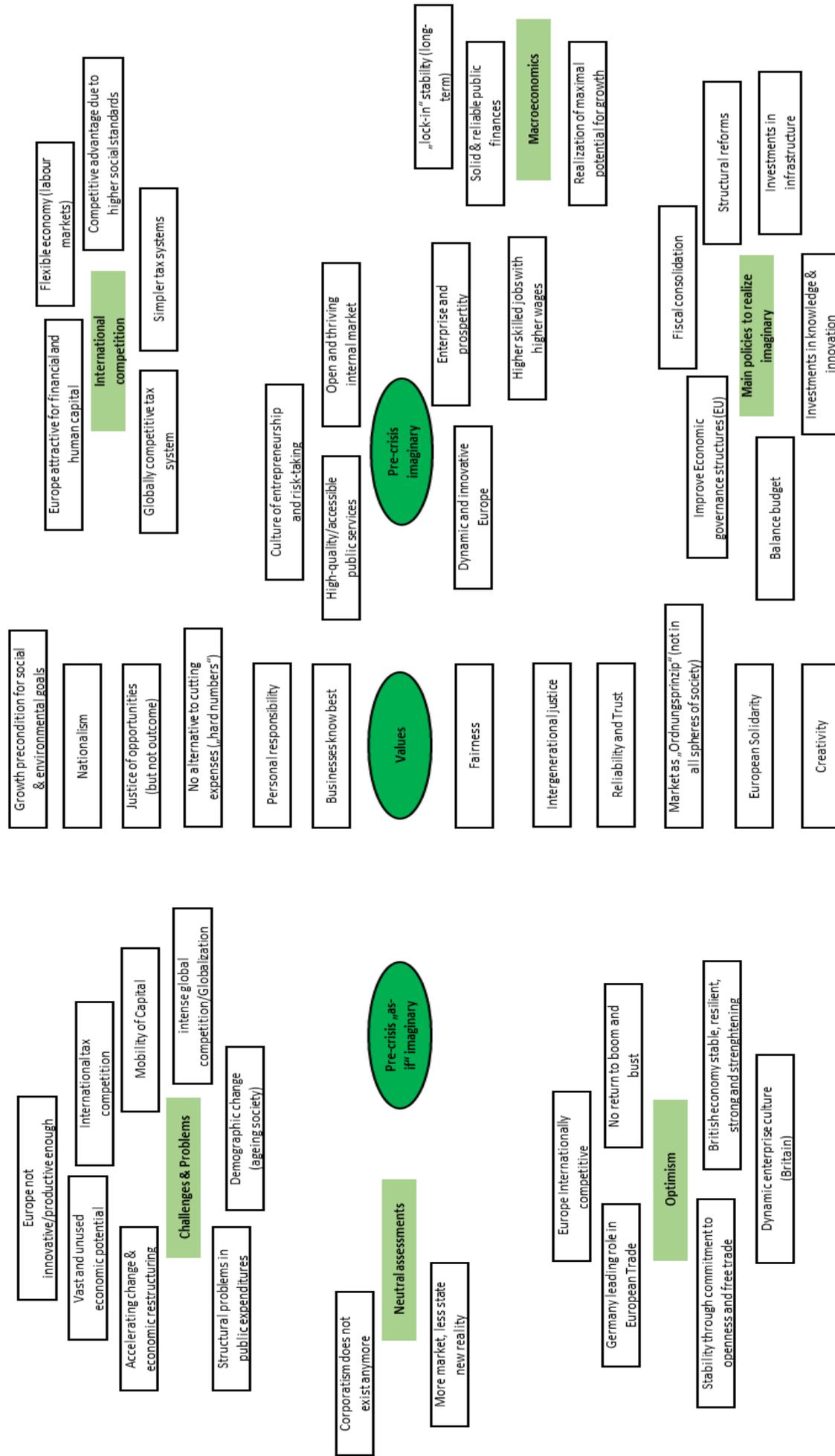


Fig. 9: Elements of the pre-crisis economic (as-if) imaginary, underpinned by values

While the interested reader might be inclined to spend a significant amount of time on figure 9, the results of the critical discourse analysis as presented above do not really tell that much. In figure 10, the core elements of neoliberalism as defined in chapter 3 are presented graphically.

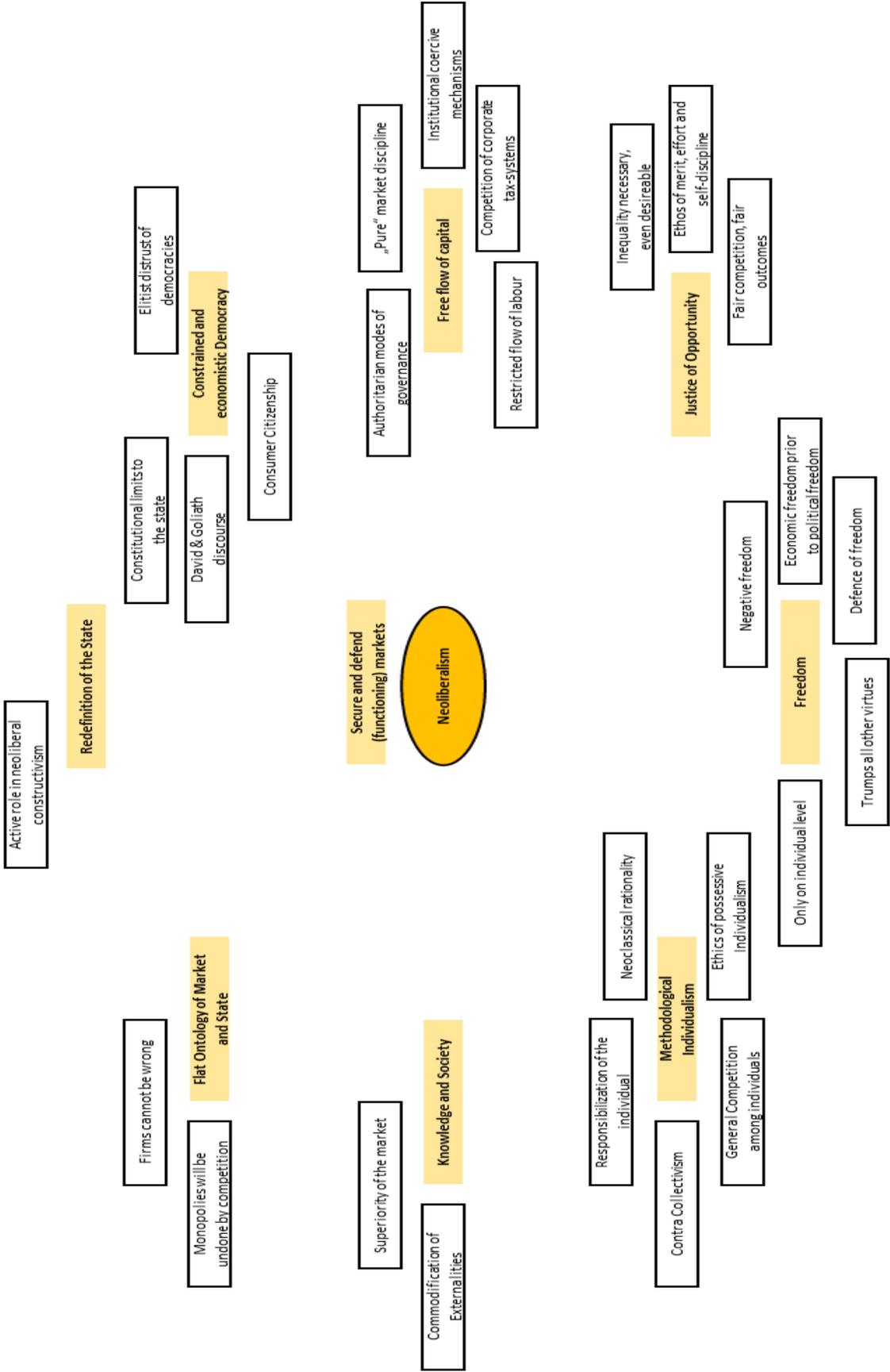


Fig. 10: Core elements of neoliberalism

Figure 10 can be read as follows. In the very centre, the core neoliberal “problematic” of securing and defending (functioning) markets is depicted. The elements in bright orange circling around “neoliberalism” represent the key background ideas of neoliberalism as introduced in chapter 4. Additionally, clustered around the elements in bright orange, the reader can find several sub-elements which directly related to the core elements. Importantly, some sub-elements can be attributed to two core elements. For example, the neoliberal notion of limiting the state by putting “Constitutional limits to the state” (upper right corner) can be attributed to the core element of “Redefinition of the state” as well as “Constrained and economic democracy”. Additionally, the notion that “Freedom” is being understood “Only on [an] individual level”, relates to the neoliberal core element of “Freedom” as well as to “Methodological Individualism”. Figure 10 will not be analysed further at this point since a detailed description of neoliberalism has already been presented in chapter 4. However, figure 11 again presents the elements of the pre-crisis imaginaries (as figure 9), with the crucial difference that elements which are consistent with an understanding of neoliberalism as developed in this paper are shaded in bright orange. When first taking a look at figure 11, one quickly notices that a substantial part of the discursive elements identified are shaded in bright orange, which means that a *substantial part of European pre-crisis discourse has neoliberal characteristics*. Let us begin at the top left corner, with the cluster around “challenges & problems” imagined and presented by the speakers *as-if* it were reality. The notion that Europe is subject to “intense global competition” in general and international tax competition in particular resembles the neoliberal notion that the free flow of capital must be guaranteed. One might object that the speakers do not directly argue in favour of the mobility of capital as such or for internationally competing with other tax jurisdictions. However, the free flow of capital is represented as a *given*, which cannot and must not be tampered with. An alternative description of challenges and problems could be, for example, that in order to *restrict the mobility of capital* (and consequently tax competition) an international minimum corporate tax should be implemented. Crucially, however, it is rather argued that due to the (almost naturally) given mobility of capital and resulting global (tax) competition, the need for certain policies (such as cutting taxes) arises. Moreover, “structural problems in public expenditures” are identified as a major challenge. This is consistent with the neoliberal notion of redefining the state, specifically limiting the state. Again, it is useful to picture an alternative. Policy makers could also identify too low pensions and resulting poverty among retirees as a problem. Moreover, the idea that spending too high public expenditures are problematic is controversially discussed in economic discourse (Kelton, 2020). Turning to the “neutral assessments”, it is rather obvious that the element “Corporatism does not exist anymore” as well as “more market, less state [is the] new reality” is also consistent with neoliberalism. Corporatism implies collectivism and is thereby directly opposed to neoliberalism.

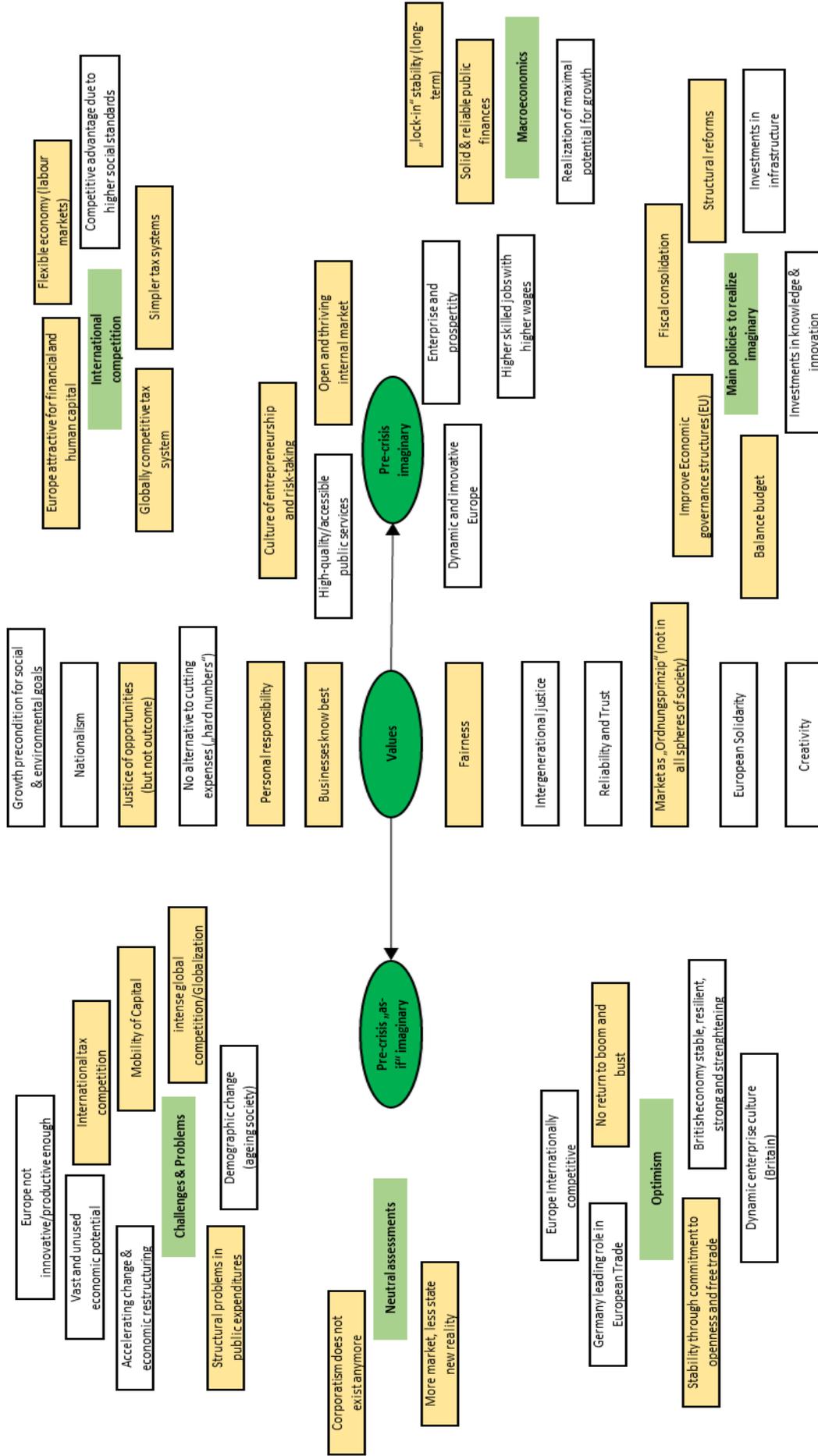


Fig. 11: Elements of the pre-crisis economic (as-if) imaginary, underpinned by values. Elements consistent with Neoliberalism are shaded in bright orange.

Additionally, the claim that “more market, less state [is the] new reality” cannot be upheld from a rational perspective, since markets are always constructed and not “natural”. Rather, it can be connected to the neoliberal sub-element of the “superiority of the market”, which is based upon more fundamental considerations on the relation between knowledge and society. Next, the attention will turn to the bottom left corner of figure 11. The notion of “stability through commitment to openness and free trade” can be directly related to the neoliberal core element of guaranteeing the “free flow of capital”. Importantly, the goal of “stability” is rather abstract, and it is impossible to state on rational grounds that open markets and free trade will lead to more stability than for example protectionism. As Ha-joon Chang argued in his book “Kicking away the ladder” (2007), most developed nations managed to build their prosperity by pursuing protectionist development strategies. Moreover, the element that there will be “no return to boom and bust” is connected to the neoliberal sub-element of “Commodification of externalities”, and more precisely to the neoliberal argument that the market is suited to solve problems which itself created. Arguing that there is no such thing as a business cycle anymore (“Great Moderation”, see Stock & Watson, 2002) moreover implies the “superiority of the market”, since critics of market mechanisms mostly built on the idea that markets may lead to (financial) instability.¹⁴ Now, the analysis turns to the right side of figure 11. Naturally, the cluster around “international competition” is highly consistent with neoliberal elements. To start, the *imaginary* that “Europe [will be] attractive for financial and human capital” once again fits with the idea that capital must be free to flow. Moreover, the goal to establish a “globally competitive tax system” as well as “simpler tax systems” connects perfectly to the neoliberal sub-element of “competition of corporate tax-systems”. The element of the *economic imaginary* calling for a “flexible economy ([and especially] labour markets)” requires some elaboration. As visible in figure 10, neoliberalism *restricts* the flow of labour. However, this does not mean that a neoliberal approach does not call for more *flexible* labour in terms of labour which quickly adjusts to the respective demand of firms. Quite on the contrary, the neoliberal elements of the “responsibilization of the individual” as well as “general competition among individuals” imply that, ideally, individuals who offer their labour on the market are quick to adapt to the changing demand of the market (“lifelong learning”). For similar reasons, the main element of the (pre-crisis) *economic imaginary* of establishing a “culture of entrepreneurship and risk-taking” is also consistent with neoliberalism, and closely connected to an “ethos of merit, effort and self-discipline” as well as the notion of “general competition (among individuals)”. The second main element which can be qualified as neoliberal element is the call for an “open and thriving internal market”, which is connected to the “free flow of capital” core element (as well as to the general neoliberal problematic of securing and defending markets). Next, let us turn to

¹⁴ Most famously, Keynes argued that economies might end up in a state of disequilibrium independent from exogenous shocks (Keynes, 1991 [1936]).

the elements of pre-crisis discourse allocated to the broader category of “macroeconomics”. The element of “lock-in stability” is closely related to the element of “solid & reliable public finances”. While it may not be that obvious how said elements are connected to neoliberalism, it may be useful to keep in mind that “solid & reliable public finances” are mainly to be achieved by (the elements of) “fiscal consolidation”, “structural reforms” and “balancing the budget”. In this sense, a “lock-in” stability clearly *limits the state* in terms of public expenditures. As an example, the attentive reader may recall Buchanan’s proposal to limit the possibility for the state to issue new debts constitutionally (Buchanan, 1997). Consequently, the elements of “solid & reliable public finances”, “fiscal consolidation” and “balance budget” can be considered neoliberal elements of (pre-crisis) discourse. Moreover, “structural reforms” often imply privatizing shares of public assets or making the labour market more flexible, which both relate to neoliberal elements. While the connection of flexible labour markets to neoliberalism has already been established, privatizing public shares implies the assumption that the market is better suited to allocate public goods (“superiority of the market”). Of the “main policies to realize imaginary”, there is one element left to be explained. The policy to “Improve economic governance structures” is closely connected to the neoliberal notion of establishing “institutional coercive mechanisms” to guarantee the free flow of capital. A good example provide the so-called “six-pack” and “two-pack” European legislations, which have been implemented explicitly to strengthen fiscal discipline as well as stricter surveillance and enforcement (La Porte & Heins, 2015). Finally, let us turn to the discussion of *values* underpinning the pre-crisis *economic (as-if)* imaginaries. Starting from above (figure 11), the value of “justice of opportunities” is mentioned frequently in pre-crisis discourse. An understanding of justice solely as “justice of opportunities” is a neoliberal core element, implying that, as long as every individual has the same starting point, the outcome of a market process cannot be challenged on moral grounds. Moreover, the value of “personal responsibility” perfectly aligns with the neoliberal elements of “responsibilization of the individual”. As developed in chapter 4 on neoliberalism, the political implication is that *systemic* explanations of the crisis fade into the background, and that (collective) societal problems must be faced by individuals on their own. The element “no alternative to cutting expenses” can be related to the sub-element of neoliberalism of “pure market discipline”. Importantly, it replicates the “there is no alternative” narrative which has been associated with Margaret Thatcher and implies that “the market” as some kind of higher power necessitates structural reforms. Moreover, the *value-premise* that “Businesses know best” are consistent with the neoliberal flattening of the ontology of the market. Firms and businesses are understood as an approximation of the market itself and cannot go wrong due to their adherence to rational criteria. In the context of the crisis, this also implies that big banks and financial institutions cannot be blamed for causing the crisis, as for example Berry (2019) also observes in his discussion on neoliberalism and the media. Furthermore, the value of “fairness”

can be related, again, to the neoliberal core element of “justice of opportunity”. If policies are built in a “fair” way (e.g. for families or “our” children), their outcome is automatically justified. Finally, the value element of the “market as *Ordnungsprinzip*” (organizing principle) pops up in pre-crisis discourse. This relates to the “Superiority of the market” element of neoliberalism. Notably, however, in this it is explicitly added that the market should not take the role of an “*Ordnungsprinzip*” in all spheres of society. In this sense, the relationship between this element of pre-crisis discourse and neoliberalism is ambiguous.

In summary, many elements of the constructed pre-crisis *economic (as-if) imaginaries* are consistent with neoliberal discourse. The next step of analysis will finally deal with the core interest underlying this paper, namely *how neoliberal discourse changed* post-crisis in comparison to pre-crisis, and which elements remained constant.

Figure 12 shows the elements of the post-crisis *economic (as-if) imaginaries* by using the same schema as figure 11. Elements in bright orange are depicting neoliberal elements of post-crisis discourse which have already been identified pre-crisis, i.e., *which stayed the same*. In contrast, elements in light blue depict elements which either changed in comparison to the pre-crisis discourse or are completely new. It becomes clear by simply looking at figure 12 that there is a significant number of elements which changed, but also a significant number of elements which have stayed the same. Interestingly, most of the underlying *value-premises* seemed to have stayed constant, while large parts of the *as-if imaginary* have changed. Intuitively, this seems plausible since it would be rather curious if political actors described (their version of) reality in the same way after the crisis. Finally, for the *economic imaginary*, a mixed picture arises. This is especially interesting, as will be elaborated upon in a bit.

Let us again start with the analysis in the upper left corner of figure 12, with the description of “challenges & problems” by the speakers. What remained the same is that Europe is subject to global competition, and that a “competitive world must be confronted”. Additionally, one element is that the “debt/GDP [ratio]” is too high, which can be understood as analogous to the assertion that there are structural problems on the expenditure side of public finances. In this sense, the neoliberal notion of redefining, specifically limiting the state, seems to have persisted over the crisis in public discourse. The explicit notion that “Europe has comparative disadvantages” in terms of too high social costs also indicates that neoliberal discourse still argues for redefining the state in terms of limiting its output. However, the post-crisis discourse on which challenges and problems Europe faces got significantly extended. Firstly, the GFC is being depicted as a “wake-up call” which supposedly further substantiates the need for addressing the diagnosed problems.

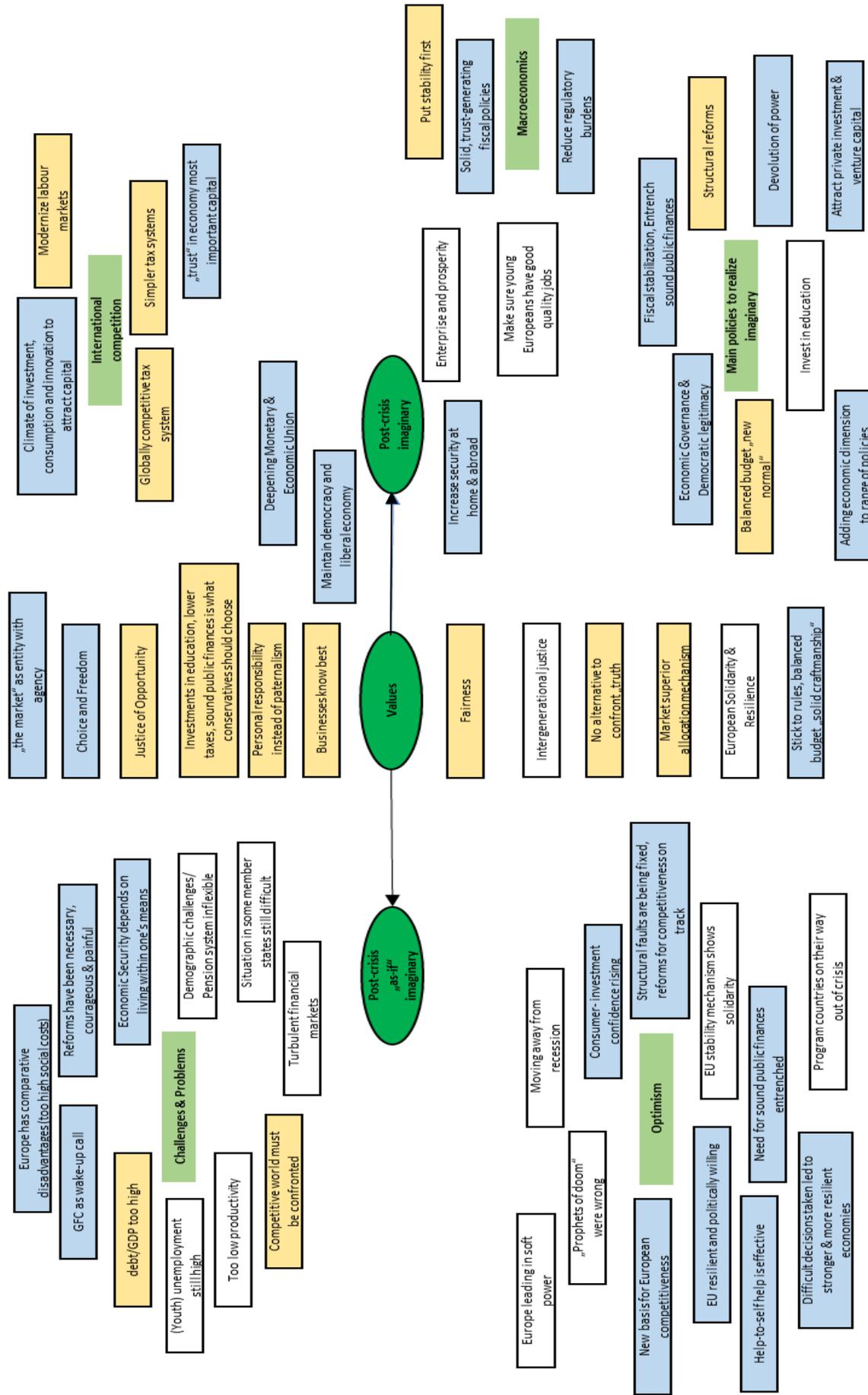


Fig. 12: Elements of the post-crisis economic (as-if) imaginary, underpinned by values. Neoliberal elements which remained constant are shaded in bright orange, while elements which are new or have changed are shaded in light blue.

In a similar vein, the element that “Economic security depends on living within one’s means” implies that the GFC has been the consequence of irresponsible fiscal policy, which further underlines the case for limiting the state in terms of implementing structural reforms. Pointing into the same direction is the element that “the reforms have been necessary, courageous & painful”. As already briefly touched upon above, emphasizing the necessity of reforms implies that there has been no alternative to the proposed action. By shifting the focus further down figure 12 to the elements of the *as-if imaginary* clustered around “optimism”, it can be observed that the diagnosis of “no return to boom and bust” has been vanished. This comes with little surprise, since the GFC empirically refuted this claim. Moreover, the element of “stability through commitment to openness and trade” also vanished. While, as will be argued shortly, the neoliberal commitment to open markets and free trade is still *implicitly* there in post-crisis discourse (especially in the *value-premises*), the fact speakers are more cautious in terms of *explicitly* committing to open markets and free trade is highly interesting. Furthermore, a number of new elements appeared in the “optimism”-cluster. Firstly, there is the element that a “new basis for European competitiveness” emerged. This can be connected to the element that “difficult decisions taken led to stronger & more resilient economies” as well as to the “structural faults are being fixed, reforms for competitiveness [are] on track” element. In addition to the “there was no alternative”-discourse which has been identified in the upper left corner of figure 12, the recently mentioned elements further follow the neoliberal “competition”-discourse. It is argued that the structural reforms and “difficult decisions” even *improved* Europe’s situation in terms of competitiveness and resilience. In this respect, from a neoliberal perspective, the “wake-up call” of the GFC (or, more precisely, the policies which followed the “wake-up call”) fulfilled its purpose in terms of better preparing the EU for international competition. Additionally, the element that the “need for sound public finances is entrenched” relates to the neoliberal sub-element of “institutional coercive mechanisms” and will be picked up again later. The notion that “help-to self-help is effective” can be linked to the neoliberal “ethos of merit, effort and self-discipline”, and implies that ultimately, every country must help itself to exit the crisis. Concluding the “optimism” cluster, the topic of “consumer-investment confidence [is] rising” is also new in comparison to the pre-crisis discourse. As will also be shown in relation to other elements, the strong presence of the motive of “confidence” is one of the most obvious changes in post-crisis discourse versus pre-crisis discourse. In light of the events of the crisis which came as a shock to most politicians, economists and observers alike, the importance of regaining “confidence” is also little surprising. Important, however, is of whose confidence we are speaking about. Crucially, “confidence” mostly refers to the confidence of “investors” or “the market”, and sometimes to “the consumer” (which can be understood as an approximation of “the market”).

To briefly recuperate, the post-crisis *as-if imaginaries* in discourse feature many new elements in comparison to the pre-crisis discourse. Most importantly, the GFC is being framed as a “wake-up call”,

caused by irresponsible fiscal policy, which further justifies limiting the state and its output by implementing structural reforms and “taking the difficult decisions”. Furthermore, said policies supposedly have the positive effect of making Europe more competitive, “stronger” and more resilient. What remained *constant* are the specific policies proposed (structural reforms) as well as the diagnosis that Europe is subject to global competition, and that there is no alternative to confronting that fact. Finally, the issue of “confidence” has gained significant importance.

Next, the analysis will turn to the *economic imaginary*, specifically to the upper right cluster of “international competition” in figure 12. Interestingly, it paints a very similar picture as just seen. The elements of neoliberal discourse which have survived the GFC are the notion that there is a “globally competitive tax system” and that devising “simpler tax systems” are necessary to prevail in global competition for freely flowing capital. The element to “modernized labour markets” can be understood in analogy to the pre-crisis element to make labour markets more flexible, thereby also being a continuous claim of neoliberalism. What is new is the need to establish a “climate of investment, consumption and innovation to attract capital” as well as the assertion that “trust in the economy [is] the most important capital” for Europe. In relation to neoliberalism, the idea that capital must be attracted presupposes the neoliberal element of “pure market discipline”. If Europe does not manage to establish a trustable climate, then “capital” will not be attracted, and Europe will be punished by “the market”. It also implies that “the market”, due to its superior rationality, is capable of processing all relevant information to decide where to be attracted to. The notion of “trust” is closely related to the notion of “confidence” introduced recently.

Moving down further at the right side of figure 12 to the cluster of “macroeconomics”, it can be observed that the element of “putting stability first” has remained constant over the crisis. Very fittingly, however, the call for implementing “solid fiscal policies” has been amended by the adjective “trust-generating”. Moreover, it has been added that regulatory burdens should be removed, which directly relates to the neoliberal core-element of guaranteeing the free flow of capital. Next, turning to the “main policies to realize imaginary”- cluster, several interesting neoliberal amendments can be discovered. What has stayed constant is the call for structural reforms as already discussed extensively, as well as the call for a balanced budget. In contrast to the pre-crisis narrative of “fiscal consolidation”, the post-crisis narrative is calling for “fiscal stabilization” and “entrenching sound public finances”. In general, it seems like the GFC has been used by neoliberal discourse in terms of *further justifying the same policies* as before. Essentially, both “fiscal consolidation” and “fiscal stabilization [and] entrench sound public finances” imply the same policies, but the latter indicates that the *destabilizing* effect of the GFC necessitates “sound public finances” *even further* than before. It also hints towards another important aspect, which is also part of the elements “Economic governance & democratic legitimacy”

and “adding economic dimensions to a range of policies”, as well as “devolution of power”. The first two mentioned elements directly related to the neoliberal sub-element of establishing “institutional coercive mechanisms” to guarantee the free flow of capital. Modes of economic governance must be strengthened to ensure the fiscal discipline of European countries, and “adding economic dimensions to a range of policies” can also be understood as a mode of economic governance. Moreover, the proposal for a “devolution of power” can be related to the neoliberal element of redefining the state. As Freeman (2017) argues, there is a general trend after the GFC of redistributing the policymaking “up” to the supranational level as well as “down” to lower state levels and “across” to the market (p. 3), which is worrisome from a democratic perspective. In this sense, the call for a “devolution of power” as well as the “deepening of the monetary and economic union” can also be connected to the neoliberal notion of an “(elitist) distrust of democracies”. However, it must be mentioned that in addition to strengthening economic governance, the post-crisis discourse also contains calls for simultaneously strengthening “democratic legitimacy”.

Concluding the discussion on the *economic imaginary* in neoliberal post-crisis discourse, let us now turn to its main elements. Interestingly, the explicit commitment for an “open and thriving internal market” has vanished from discourse. In practical terms and due to the continuing discussion of imbalances within the EU in terms of current account issues (see for example Kollmann et al., 2015), this seems plausible. The same is true for the pre-crisis goal of establishing a “culture of entrepreneurship and risk-taking”. The notion of “risk-taking” in general has been largely vanished, and the notion of “generating trust” and “confidence” has significantly risen in importance, as already discussed. What is new is the call for “deepening [the] monetary and economic union”, which can be attributed to the general category of elements which refer to the strengthening of economic governance. Moreover, also new in comparison to the pre-crisis discourse is the element which calls for “increasing security at home & abroad”. This is especially interesting and can be related to the neoliberal element of “authoritarian modes of governance”. Empirically, many social movements critical of globalization have shifted their focus and protests from the broader topic of social justice to specifically anti-austerity campaigns, and austerity has generally become the focal point of anger expressed by young people whose economic and social conditions worsened dramatically over the last decade (Della Porta & Parks, 2016). For this reason, it is plausible that neoliberalism must fall back on more and more authoritarian methods to safeguard and defend functioning markets. This can also be related to the neoliberal element of “redefining the state”, but not in terms of limiting it, but rather in terms of using its power for its own constructivist purposes.

It seems adequate to briefly summarize the findings of what has changed in the post-crisis *economic imaginary* in comparison to the pre-crisis *imaginary*. What has remained constant is the assumption

that Europe is subject to global competition. Capital (necessarily) flows freely and must be attracted by the merit of certain policies, such as “modernizing” the labour market as well as making the tax system more competitive. “Fiscal stability” in terms of balancing the budget, cutting public expenditures and implementing structural reforms are also remarkably stable policy proposals. In general, the GFC has been used as a justification for continuing policies which limit the output of the state, which is observable in post-crisis discourse in terms of a different *framing* than in pre-crisis discourse. “Solid fiscal policies” must now be “entrenched” and fiscal relations “stabilized” by using strengthened modes of economic governance. At the same time, there are also several new aspects. Firstly, the notion of “establishing a positive climate”, generating “trust” or “confidence” to attract “private investments” and capital in general has become “the most important capital” for Europe’s economy. Secondly, the need to “strengthen economic governance” and thereby institutional coercive mechanisms to guarantee the free flow of capital has been featured prominently in neoliberal post-crisis discourse. Thirdly, the call for “increasing security at home & abroad” indicates that “authoritarian modes of government” are increasingly employed by neoliberalism.

Finally, let us turn to the *value-premises* informing the post-crisis neoliberal discourse, depicted in the middle of figure 12. Importantly, *the vast majority of values have stayed constant* in comparison to pre-crisis discourse. Starting from above, this includes the neoliberal core element of “justice of opportunity”, the emphasis of “personal responsibility” as well as the assumption that “businesses know best”. Moreover, the value of “fairness” and the notion that the “market [is the] superior allocation mechanism” also popped up again. The longevity of underlying values and its implications for an understanding of ideational change will be picked up in the discussion. However, some values have been identified in post-crisis discourse which have not been there before. Again, starting from above, “the market” has explicitly been understood as an entity with agency in post-crisis discourse. While this may have been also true implicitly in pre-crisis discourse, it is more evident in post-crisis discourse due to the substantial focus on regaining “the markets” trust and confidence. Still, the author would cautiously argue that the *value-premise* of attributing agency to “the market” has also been the case in pre-crisis neoliberalism. Secondly, the notion of (individual) “choice and freedom” is more pronounced in post-crisis discourse than before. While the virtue of freedom is a core element of neoliberalism, it is also closely related to the element of “personal responsibility”. Consequently, it also hardly presents a novelty in terms of a key difference to pre-crisis neoliberalism. Finally, however, the *value-premise* of “sticking to the rules” to a certain extent can be understood as a new element of neoliberal post-crisis discourse. Importantly, it implies that those countries who “broke the rules” are themselves responsible for the crisis, thereby deflecting from potential systemic causes. This again relates to the neoliberal “ethos of self-merit, effort and self-discipline” as well as represents a certain kind of “responsibilization of the individual”, although on a country level.

6. Discussion

Let us start the discussion by recollecting some thoughts developed in the very introduction of this paper. In crude terms, the question has been posed of how neoliberalism managed to survive and maintained its hegemony if the GFC seemingly struck at the very heart of neoliberal ideology, empirically refuting its core assumptions. It should have been an easy task to construct counter-narratives and to organize counter-hegemonic strategies, but evidently, that did not work out so great. To foreshadow a possible answer to this question, it has then been argued that one must not underestimate the “*adaptive capacity* inherent in neoliberalism” (Aalbers, 2013, p. 1089), and that the “selection” of certain crisis narratives as well as policies is not as much about their “[...] argumentative force or scientific merit” (Jessop, 2015, p. 99), but rather a question of *strategic neoliberal agency*, consciously reconstructing neoliberalism’s discursive elements in times of crisis. The empirical analysis has shown that neoliberalism indeed discursively reacted to the GFC by adding some new elements, adapting some elements, an even abandoning some other elements. Thus, we can agree with Kenneth & Dukelow (2018) when they argue that we must understand neoliberalism as “as a process and something which is continually made and re-made” (p. 456), at least in discursive terms. At the same time, however, it has also been shown in the analysis that some core elements (particularly underlying values) indeed stay *constant*, even in the presence of the mother of all exogenous shocks, a global financial crisis. Consequently, the empirical analysis seems to support the theoretical considerations developed regarding neoliberalism’s strategic agency as well as ideological flexibility. The adaption of neoliberal discourse can be understood as a *strategy* to defend and maintain hegemony, rooted in an ideological and philosophical utopia of a higher order. Neoliberal core ideas, which pop up as elements of the pre-crisis as well as the post-crisis discourse, serve as an ideological anchor point for neoliberal discourse and policies. Therefore, postulating an ideologically flexible neoliberalism does not mean that ideological core elements get thrown overboard by neoliberal actors in an opportunistic way. Rather, neoliberalism acts *flexible* on a more immediate discursive and policy level, rooted and anchored in and *ideological program* of a higher order. This indicates that the neoliberal project cannot be seriously challenged by simply hinting to its practical inadequacy.

That being said, let us now discuss *how* the neoliberal discourse changed after the crisis. It must be noted that only some aspects will be picked up here, as the analysis section already provides a very dense depiction of how neoliberal discourse developed.

The GFC as a wake-up call

Importantly, the GFC is being framed as a “wake-up call”, which has been caused by irresponsible actors within the financial sector. The related (and, to some extent, resulting) Eurozone-crisis has been caused by irresponsible fiscal policy of individual countries. The important point is that neoliberalism adapted its discourse in a way which rules out any systemic causes for the crisis. The metaphor of a “wake-up call” already implies that somebody was sleeping, and consequently it must be the irresponsible sleeping entity’s fault. Importantly, neoliberalism used this framing to argue that because the crash happened, neoliberal policies like structural reforms and “taking the difficult decisions” are even more necessary than before. Said policies supposedly had the effect of making Europe more competitive, “stronger” and more resilient. To put it in more general terms, neoliberalism used the crisis to discursively adapt in a way that justifies *further limiting the state* in terms of its output. And in this regard, neoliberal core elements *have not changed at all*. The redefinition of the state is still in full swing, both in terms of limiting it, as well as in terms of using it as an instrument for economic governance (as will be discussed below). The diagnosis that Europe is subject to intense global competition, and that there is no alternative to confronting that fact by designing more competitive corporate tax systems and making labour markets more flexible has also not changed. What *has* changed is that the crisis forced neoliberalism to adapt its discursive justifications in some ways. Fiscal stability in terms of balancing the budget, cutting public expenditures and implementing structural reforms are remarkably stable policy proposals, but owed to the crisis, they are now being framed in terms of lessons learned from a wake-up call. In this sense, we can agree with Harvey (2011), arguing that “the theoretical utopianism of [the] neoliberal argument [...] has primarily worked as a system of justification and legitimation for whatever needed to be done” (p. 19). In summary, depicting the crisis as a “wake-up call” can be understood as the central crisis construal (Jessop, 2015) adapted by neoliberalism.

Trust and confidence

As touched upon in the analysis, the issue of regaining “confidence” and “trust” and “establishing a positive climate” has gained significant importance in post-crisis discourse. Importantly, however, there is still the underlying assumption that “the market” with its superior way of processing information and achieving rational outcomes knows best what to do. It is the market whose trust must be gained, and thus the freely flowing of capital which dictates neoliberal policies. Furthermore, corporations must still be understood as an extension of the market as such, which means that they are efficient, rational and essentially infallible. Private investments have become “the most important capital” for Europe’s economy, and any objections are dismissed by claiming that there is no alternative to guarantee (and to a certain extent, restore) prosperity. The importance of establishing trust and

confidence can also be understood as a defensive-hegemonic strategy of constructing “fantasmatic narratives” (Howarth, 2010). The “fullness to come” (p. 322) if the trust of the market is regained is a new basis for competitiveness in Europe, rising consumption and investments, and consequentially enterprise and prosperity.

Generally, the narrative that trust and confidence must be restored implies that the relationship between institutional actors and the market (and, by extension, private capital) has been distorted due to irresponsible and flawed economic governance in Europe. Consequentially, neoliberalism aims at using the crisis as a justification to strengthen economic governance in its terms after the crisis.

Strengthened Economic Governance

Neoliberal post-crisis discourse establishes that economic governance must be strengthened by merit of more rigid and strict institutional coercive mechanisms. For instance, the implementation of additional mechanisms to tighten budget discipline is being framed as necessary. Importantly, neoliberal post-crisis discourse argues that “pure” market discipline in terms of capital not “trusting” certain jurisdictions makes it anyways inevitable to pursue neoliberal policies. The alternative would be the absence of private investment (and liquidity in general), which is considered to be the only path to sustainable growth and prosperity. In this sense, the strengthening of economic governance has been justified by the warning that Europe’s economies depend upon budget discipline and “living within one’s means”. With Skinner (2002), we can identify this as a defensive-hegemonic strategy of “rhetorical redescription”. While the diagnosis of a structural deficit is not morally charged at all, living beyond one’s means is colloquially understood and usually connected to irresponsible behaviour. Consequently, neoliberal post-crisis discourse presents to the public a new description of financial responsibility, using the GFC as the nightmare-scenario which delegitimizes alternative actions. Consequentially, the public may “adopt a new attitude towards the action concerned” (Howarth, 2010, p. 319) which is morally loaded. Additionally, the responsabilization of the individual country again deflects from possible systemic causes of the crisis.

Moreover, the need to “strengthen economic governance” and thereby institutional coercive mechanisms to guarantee the free flow of capital can be seen in connection to the upcoming of the discursive element of “increasing security” in post-crisis discourse. The implementation of additional fiscal rules to guarantee budget discipline on an EU level (for instance, the so-called “two-pack” and “six-pack” legislatives) coerces member countries to implement structural reforms and further cut public expenditures. The social consequences result in a growing number of social movements directing their anger at the EU’s austerity programs, which are often perceived as unjust and undemocratic (Della Porta & Parks, 2016). In a sense, this further indicates that neoliberalism must increasingly rely upon “authoritarian modes of government” to defend its policies. On a general level,

the shifting of fiscal competences from the country to the EU level can be seen as a process “de-democratization” (Freeman, 2017). On a more immediate policy level, the call for increasing the budget for security forces in post-crisis discourse also points to an increasingly authoritarian mode of governance. This provides us with an adequate entry point to reconnect to the theory on hegemony developed in chapter 2. While discursive hegemonic strategies are always about the “production of consent” rather than coercion, a Gramscian understanding of hegemony builds upon viewing hegemony as an *interplay between coercion and the production of consent* (Thomas, 2009). In this sense, the newly emerging discursive elements calling for new (undemocratic) rules to guarantee fiscal discipline as well as for increasing security spending indicate that neoliberalism is willing to defend its hegemony not only by the production of consent for its policies (as in the “restore trust and confidence”- discourse), but also by coercive means. This can be interpreted as neoliberalism strategically adapting to the growing anti-austerity sentiment in Europe.

In summary, neoliberal post-crisis discourse continues to redefine the state in two ways. On the one hand, new rules for economic governance are devised on the EU-level to *limit* the space of manoeuvre for nation states, further removing fiscal policy from democratic control. On the other hand, calls for strengthening security forces (such as the military and the police) may serve the purpose of *defending* neoliberal policies against growing popular discontent, should the construction of consent fail to deliver.

Constant underlying values

One main finding of this paper is that the underlying *values* informing neoliberal policies have mostly remained constant. This especially refers to a neoliberal understanding of justice (of opportunity) the emphasis of individual, personal responsibility in contrast to systemic and collectivist approaches as well as the assumption that businesses always know best, independent from current economic circumstances. Moreover, the value of “fairness” and the notion that the market is superior to other modes of allocating goods is also rather constant over time in neoliberal discourse. Evidently, moral values do not seem to be affected at all by exogenous shocks such as the crisis. The longevity of underlying values leads us to our final point of discussion.

And what about change?

It has been argued from the beginning that the more general point of this paper is to derive some ideas on ideational change by looking at how neoliberalism developed over the crisis.

Firstly, we can note that the crisis as a massive exogenous shock as such has not led to a shift in policy paradigms (Hall, 1993) or a “third order change” (Carstensen, 2015, p.279). The fundamental underlying political problem for neoliberalism to guarantee and safeguard (functioning) markets, has

remained constant. Moreover, the emergence of the “crisis construal” (Jessop, 2015) of a “wake-up call” may imply a certain path-dependency for neoliberal thought and practice. For instance, the resulting strengthening of economic governance (sometimes by authoritarian means) as well as the emergence of the “generate confidence and trust” - discourse to attract freely flowing capital may shape neoliberalism for years to come. Consequently, we can cautiously agree with Schmidt (2011, p. 68) in saying that “the order in which things happen affects how they happen, the trajectory of change up to a certain point itself constrains the trajectory after that point.” Finally, it can be argued that exogenous shocks such as the crisis as well as the availability of possible counter-narratives *are not sufficient* to trigger revolutionary ideational change. Rather, the development of neoliberalism over the crisis can better be understood as evolutionary change, in which “the philosophical background ideas” (Schmidt, 2016, p. 322) remain intact. Neoliberalism’s response to the crisis has been to adapt its discursive elements strategically and flexibly, which are underpinned by stable ideological core elements of a higher order. Thus, to challenge neoliberal hegemony, there seems to be no other way than to further identify and reveal its key values and assumptions to construct a counter-hegemony which aims directly at the neoliberal heart. The fact that neoliberal core values are remarkably constant over time and have survived a massive economic crisis shows that said core values possess significant political and philosophical power. In order to challenge that power in a sustainable way, progressive politics must engage in a debate about fundamentals. More specifically, progressive politics must not shy away from constructing alternatives to narratives such as eternal individual competition, freedom as the ultimate value and the necessity of freely flowing private capital.

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List of Figures

Figure 1: Basic structure of practical argumentation	24
Figure 2: Basic structure of argumentation with deliberation	24
Figure 3: Chancellor Gordon Brown's practical argument in his budget speech 2006.....	49
Figure 4: Chancellor George Osborne's practical argument in his budget speech 2016	50
Figure 5: Chancellor Peer Steinbrück's practical argument in his budget speech 2007	52
Figure 6: Chancellor Wolfgang Schäuble's practical argument in his budget speech 2014	54
Figure 7: José Manuel Barroso's practical argument on the mid-term Lisbon report in 2005.....	56
Figure 8: José Manuel Barroso's practical argument on the European Semester 2014	58
Figure 9: Elements of the pre-crisis economic (as-if) imaginary, underpinned by values	61
Figure 10: Core elements of neoliberalism	62
Figure 11: Elements of the pre-crisis economic (as-if) imaginary, underpinned by values	64
Figure 12: Elements of the post-crisis economic (as-if) imaginary, underpinned by values.....	68