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# Making sense of austerity: the gendered ideas of European economic policy

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**Abstract** This paper focuses on the role of gender in the generation of coherence and legitimacy of austerity, as applied in the European Union. It examines the rhetorical defences of austerity and unpacks the gendered nature of the reforms that austerity programmes required. The absence of gender-sensitive analysis in policy making is an absence that is essential to both the coherence and the legitimacy of austerity. The findings from this discourse analysis are a direct contribution to the project of understanding austerity as an ideological and political phenomenon. This project has, thus far, excluded such considerations. This analysis shows the, often contradictory, roles that gender plays in the discourse of austerity, highlighting the need for research that appreciates the need for such nuances. It also shows how gender plays a role in the key economic arguments for austerity, in particular that of the fiscal multiplier and those surrounding labour market reforms. As austerity in the European Union is normalised and adjusted in coming years, these findings will continue to be relevant until the debates over austerity take gender seriously.

**Keywords** Gender · Austerity · European Economic Governance · Discourse analysis · Legitimacy

Austerity has been criticised as an ideological project, one that relies on “deceit” (Wren-Lewis 2016) to gain public support. It has been described as a policy which seeks to shrink the state, and which is based in fraudulent economic analysis

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(Krugman 2013). While the EU initially responded to the economic crisis through stimulus policies, austerity quickly became the dominant approach prescribed by the European Commission in particular (Stiglitz 2016). In this paper, I explore the role of gender in the discourses of austerity. This paper contributes to the intellectual project of understanding the ideological underpinnings of austerity (Bartl 2017; Blyth 2013; Dellepiane-Avellaneda 2015). It brings a new perspective—that of gender—to a debate that has currently viewed austerity as gender-neutral.

Blyth provides the definition of austerity which I follow—Austerity is “a form of voluntary deflation in which the economy adjusts through the reduction of wages, prices and public spending to restore competitiveness, which is (supposedly) best achieved by cutting the state’s budgets, debts and deficits” (Blyth 2013, p. 2). This definition views austerity as an intentional policy in itself, rather than as an outcome of other policies [e.g. as defined by Wren-Lewis (2016)]. Additionally, this definition can capture a variety of policy decisions. In particular, policies that aim to lower the cost of labour (wages) are often indirect and focus on decreasing the bargaining power of labour. Blyth’s definition captures such policies as well as more obvious austerity measures such as cuts in public services.

At the heart of the idea of austerity is the theory of expansionary fiscal contraction (Dellepiane-Avellaneda 2015). This theory argues that by cutting state spending (contraction), policy makers can stimulate growth (expansion). It’s a counter-intuitive idea, and one that has a questionable empirical record. A key question of European political economy is then: how did the idea of austerity gain such prominence after the crisis (Hopkin and Rosamond 2017; Matthijs and Blyth 2018; Schmidt 2016a)? This paper explores the role of gendered discourses in the adoption, implementation and justification of austerity as a policy programme. While feminist economists and political scientists have comprehensively documented the gendered impacts of austerity (Kantola and Lombardo 2017; Karamessini and Rubery 2013), both they and political economists more broadly have not explored how gender plays a role in the underlying assumptions of the austerity approach. This paper instead explores how gender shapes and legitimises austerity as an economic programme.

I begin by looking at potential approaches to a gendered analysis of austerity, outlining testable implications of a gendered austerity discourse. I will then examine three discursive processes: normalisation, framing and congruence seeking. By examining austerity from these three angles, I can explore whether and how the discourses of austerity are gendered. Throughout I will argue that an analysis of the role of gender in these discourses is key to understanding the coherence, and therefore the legitimacy, of austerity. From the analysis presented in this paper, I will argue that one of the fundamental reasons for the success of the “seductive and dangerous” (Blyth 2013, p. 93) idea of austerity is that it performs a discursive obfuscation of the gendered realities of the economy, and of its material impacts on people, especially women, in that economy.



## Gendered austerity: coherence and legitimacy

In this section, I will set out two sets of testable implications to structure an investigation of the gendered nature of austerity. First, I discuss the gendered reforms that are central to the application and coherence of austerity, and identify several testable implications, which will be examined throughout the rest of the paper. Secondly, I will set out the potential necessity of gendered silences for the legitimacy of austerity, and again I will set out a collection of potential observations that would indicate the strength of such connections.

The methodology utilised in this paper is a critical discourse analysis of key documents and ideas. Key ideas are selected as they correspond to the potential observations discussed in this section. In this way, the methodology moves from feminist theory to the discourse analysis. The key document is selected as a fairly representative example of the justification of austerity, and I discuss further below the merits of focusing on this paper.

### Gendered reforms and the coherence of austerity

In this section, I will outline how the gendered nature of the economy, and therefore of any reforms to the economy, is necessary for austerity to form a coherent economic programme. I will set out testable implications for this claim, drawn from feminist political economy work on austerity policies in the EU and elsewhere. Austerity is not an inherently coherent economic idea. As discussed throughout this paper, and indeed as well documented by others (Blyth 2013; Karamessini and Rubery 2013; Krugman 2013; Rubery 2015a; Wren-Lewis 2016), austerity is not sensible, from the point of view of economic analysis. Its success is widely contested, and disputes over the empirical evidence in support of it abound (Krugman 2013). There is a lot required to make it seem coherent, therefore, and this section sets out ways that gender may be playing a role in that construction of it as a coherent policy. Simply put, these are testable implications for whether or not austerity could be presented as coherent without relying on gendered ideas and rhetoric.

Firstly, women are overrepresented in public sector work, and so are more vulnerable to cuts in pay, pension or other benefits (Rubery 2015a). In particular, women are overrepresented at the lower levels of the public sector, where such cuts are relatively, if not absolutely, harsher (Connell 2006). The decision to prioritise spending cuts over tax increases in fiscal consolidation is also gendered. On average, men pay more tax than women, due to their higher earnings and wealth (Karamessini and Rubery 2013). Additionally, there are gendered implications to where tax increases fall—women tend to have lower incomes and also much lower wealth and assets (Bettio 2013; Spangenberg et al. 2017). Tax increases that aren't progressive, or that don't focus on assets as well as income, tend to disproportionately impact on women. Fiscal consolidation decisions are therefore destined to be gendered, in that each combination of spending cuts and tax increases will disproportionately impact on either men or women. Austerity is the path that disadvantages women more.



Of course, there are important contextual differences within the gendering of austerity. For example, the extent to which cuts in public services cause women to take up extra and unpaid care responsibilities varies greatly depending on the pre-existing gender norms and level of workforce integration. The application of austerity has varied across member states, and the EU experience of austerity is also different to that of previous applications of austerity globally. However, there is an implicit assumption, well established in economic policy, that women can act as a buffer demographic (Karamessini and Rubery 2013). Women are expected to take up the slack resulting from public sector cuts, and are also expected to smooth labour market contractions by exiting the workforce more quickly than men. While these expectations have been born out in previous contractions in other locations, it has not been so straightforward in the case of European austerity (Karamessini and Rubery 2013; Rubery 2015a). However, whether they are borne out or not in reality, they may be a key part of the discourses of austerity. Later in this paper I will explore whether such discourses are implicitly or explicitly relying on the assumption that women can leave and enter the workforce with little friction in response to market demands.

This expectation of flexibility is potentially gendered in that it is women who are expected to be flexible. But it also a potentially gendered idea even when it is broadened out to apply to the workforce more generally. The actualities of flexibility may reflect the process of feminisation of the work force that has been observed in advanced capitalist societies (Allon 2014; Sassen 2000; Standing 1999). This accompanies the rise of the service sector along with the weakening of worker protections. It is not simply a case of more women entering the workforce, but of the workforce as a whole being treated more like women. I will examine whether the idea of flexibility espoused by the austerity discourse follows this approach.

Despite nuances to the actual effects of austerity, the generalised assumption about women as a buffer work-and-care force is a potentially key component in the coherence of austerity. A central expectation of the philosophy of austerity is the response of the private market to the retreat of the public sector. Put simply, advocates of austerity argue that the retreat of the state, through spending cuts, will “free up” space for the market to grow. While most of the public rhetoric around this point focuses on entrepreneurship and growth of private sector businesses, there is an additional assumption concerning the role of the state in “crowding out” unpaid care work. According to the austerity philosophy then, cuts in state spending can be (more than) offset by growth of private providers. However, more implicitly, austerity also expects families and communities to fill the gaps created by cuts to state spending. This assumption was famously articulated in the “Big Society” slogan of the British Conservative party (Bramall 2013). It is the idea that there is an available resource of unpaid care workers, and it underpins the philosophy of austerity (Bramall 2013). It often coincides with a rise in traditionalist rhetoric around gender roles, and in particular, the caring role of women (Kantola and Lombardo 2017; Strolovitch 2013).

Without this assumption, austerity is a policy that is intentionally removing critical supports for vulnerable people without any replacement. While, often, this is what austerity means in practice, the rhetorical coherence of austerity as a political position requires the underlying assumption of a reserve force of women ready to



replace expensive public services (Karamessini and Rubery 2013). This gendered assumption could be seen in direct reference to the offsetting by families and communities, and also through the absence of concern for the removal of state funded supports. Later in this paper, I will examine whether and how this assumption presents in the discourses of European Economic Governance.

Finally, the impacts of austerity are not universal to either gender. Women of colour are hit even harder by such cuts; likewise, women who are already economically vulnerable are particularly affected. Migrant women who had found employment in domestic work are also particularly disadvantaged (Annesley and Scheele 2011; Strolovitch 2013). These racialised impacts of austerity result from the pre-existing racial disparities in the economy and society (Emejulu and Bassel 2017). Such an intersectional understanding of the impacts of austerity highlights just how much the dominant narrative of EU economic policy is excluding nuance. Such exclusions can be described as “strategic silences” (Bakker 1994). This label captures the erasure, but also the benefits of such erasures to the dominant policy narrative. In the next section, I’ll explore the role of such silences.

### **Gender-blind economics and the legitimacy of austerity**

Gender inequalities have persisted and worsened under the new economic governance regime (Bettio 2013). That austerity has gendered impacts is a well-evidenced conclusion (see for example: Annesley and Scheele 2011; Bettio 2013; Elomaki 2012; Karamessini and Rubery 2013). Rather than disputing this, however, the defenders of austerity exclude consideration of such impacts. This exclusion, and the corresponding normalisation of the gender-blind economic analysis (O’Dwyer 2016), is crucial for presenting austerity as a coherent economic policy. The particular form of fiscal consolidation dictated by austerity is gendered. While economic downturns in general tend to have gendered dimensions, resulting from gender segregation in the labour market and existing vulnerability and wealth disparities (Annesley and Scheele 2011; Elson 1999; Rubery 2015b), austerity is gendered in a further way. Since the specific policies required by an austerity approach tend to concentrate on cuts to public spending (Ban 2015; Blyth 2013; Rubery 2015b), they impact women to a greater extent than men. This is because women are more vulnerable to cuts in public spending. They are more likely, due to their over-representation in care work, to rely on public supports such as child benefits and other family payments, or carer allowances (Karamessini and Rubery 2013). They are also more likely to do additional care work in the family or the community as a result of cuts to publicly provided services (Elomaki 2012; Karamessini and Rubery 2013). The coherence of austerity requires that it be presented as technocratic economic policy, however. So this clear distributive question must be ignored in order for austerity to be promoted in this way. This construction of austerity as a gender-neutral economic approach is therefore the first key indicator of the role of gender silences in providing legitimacy for austerity. This construction can take place within the wider context of a discourse of gender-neutral economic policy, or can be particular to austerity.



A particular avenue for analysis of these silences is to examine how and where suffering or hardship is acknowledged and discussed in the discourse of austerity. Are the disproportionate impacts on women, in particular already vulnerable women, highlighted or obscured? This analysis can even go back to the crisis itself. The crisis is constructed around narratives of economic hardships. However, as has been pointed out in both the US and EU context, the depiction of such difficulties is not neutral (Emejulu and Bassel 2017; Strolovitch 2013). The economic struggles of women, and in particular minority women, do not signify a crisis. Additionally, the increases in hardship faced by such groups may not be seen to be an issue of concern for policy makers. This paper will explore whose experiences are deemed important through the discourse of austerity, and test whether there is a strategic silencing, or excluding of the experiences of certain groups.

Finally, the very economic models of austerity may require silences about gender in order to seem appropriate and legitimate. Economic models reflect the assumptions about the economy and society of those who create and use them. Given the current intense debates over the economic models used by the Commission in particular, I will explore where gender silences were part of the biases at play in their construction. I will focus on a particular aspect of the models, that of the fiscal multiplier, and explore where the analysis of the fiscal multiplier relied upon by austerity was underpinned by assumptions of a gender-free economy.

### **Normalising austerity through gendered reforms and gendered silences**

In this section, I will explore the gendered nature of the normalisation of austerity. Bakker's concept of the "strategic silence" (Bakker 1994) is very useful here. Bakker describes such silences as strategic in that they help to support the legitimacy of dominant ideologies—she argues that gender is not absent by accident, but that such absences are in fact a key factor in the discursive embedding of economic policies. Here I explore where there are such "strategic silences" at play in European Economic Governance.

A primary defender of the EU's economic policy within the European Commission is Marco Buti. Buti has headed up the Directorate General of Economic and Financial Affairs since the end of 2008, before that he was the deputy head.<sup>1</sup> He has published widely on economic policy, and is one of the few architects of European Economic Governance to explicitly use the term austerity in his defences of European Economic Governance. In a ECFIN economic brief published by the Commission in 2013, entitled "The Debate on Fiscal Policy in Europe: beyond the Austerity Myth" (hereafter, "Austerity Myth") Buti and his co-author Carnot took on what he referred to as the "austerity myth" (Buti and Carnot 2013). In this paper, he describes austerity policy as the only option available to policy makers, and presents a story where policy makers only had a choice with regard to the extent and timing of austerity applied.

<sup>1</sup> [https://ec.europa.eu/info/persons/director-general-marco-buti\\_en](https://ec.europa.eu/info/persons/director-general-marco-buti_en).



This paper also reflects the wider arguments made by Buti in academic articles and on economics focused blogs, such as VOXeu. What is particularly interesting about Buti is that he does not seem to be committed to the underlying idea of expansionary fiscal contradiction. In this paper, this is clear in how austerity is defended against critique, as the only available option, rather than celebrated as the most desirable option. For all of these reasons, this is a useful paper for analysis of the austerity discourse, which I will return to again in this paper. All of this is not to say that Buti, or this paper itself, is fully representative of the entirety of thinking around austerity within DG ECFIN. The working paper series, for example, publishes a diverse collection of work. Indeed, there have even been some papers that have addressed specifically or tangentially gendered aspects of economic policy. However, in choosing this paper, I have identified a paper that is participating in the wider debate about austerity specifically. It is this role of the paper in responding to critique that makes it particularly interesting, and it also makes it a slightly more encompassing paper than some others from the series. While an analysis of the gendered assumptions across the Commissions thinking about economic policy is beyond the scope of this paper, the approach demonstrated here could potentially lead to such an analysis.

Austerity is normalised through the obfuscation of its gender dynamics. The story of austerity told in the “Austerity Myth” paper relies on implicit assumptions about the availability and adaptability of workers. This narrative of a cohort of workers able to cushion the number of “outright layoffs” is a classic example of the assumption of women as a buffer work force discussed above. A gender-blind analysis of austerity, such as that offered in Buti’s paper and by a significant majority of the documentation of the European Semester (O’Dwyer 2016), is able to call on such gendered assumptions of the economy without ever explicitly addressing them. In this paper, flexibility is praised, but the facts of the gender pay gap and workplace discrimination against women is omitted and hence this absence is a key part of generating the coherence of austerity—an account of austerity that captured its gendered nature and impacts would be far more difficult to defend.

In “the Austerity Myth”, Buti and Carnot respond to the criticism that austerity requires unfair adjustments and that the reforms required by austerity are not sustainable or fair. The paper argues that structural reforms under austerity can in fact make economies more resilient to shocks, “structural reforms can alter not only the efficiency with which economies respond to shocks, but also the distribution of the effects” (Buti and Carnot 2013). This is, clearly, true. However, it is not clear in which direction these distributional changes go. In fact, the turn to austerity in responding to the crisis has altered the distribution of suffering, pushing it onto women and the economically vulnerable (Bruff and Wöhl 2016; Elomaki 2012; Kantola and Lombardo 2017). This rhetoric which hides the disproportionate suffering of women and marginalised groups reflects the gendered and racialised discourses observed in the US housing crisis, leading some to ask whose suffering constitutes a crisis, and whose is to be expected and ignored (Emejulu and Bassel 2017; Strolovitch 2013).

Throughout this paper, and the wider publications of the DG ECFIN, there are attempts to respond to the criticisms of austerity, of which there has been no



shortage. Nowhere amongst these official defences, however, is there a response to the criticism of gendered austerity. This is in spite of a substantial literature evidencing the gendered impacts of austerity across member states, and indeed in previous experiences of austerity worldwide. Within the EU institutions, both the Parliament and the Commission have published reports documented the impact of austerity on both gender equality policies and women's lives (Bettio 2013; European Parliament 2013). The lack of engagement with such documents by economic policy makers reflects the side-lining of gender expertise identified in European Economic Governance (Cavaghan 2017; O'Dwyer 2017). But their existence suggests that the gender-blind accounts of austerity are not accidental. It reflects the make-up of the audiences for these reports and papers. In seeking legitimacy for the programme of austerity, convincing feminist groups and those concerned with the impacts of austerity on women and other marginalised groups are not the priority. Indeed, in tracing the fortunes of austerity, it becomes clear who is such a prioritised audience. I discuss this further below, in the final section.

This discussion of austerity highlights how women are forced by the reforms into playing the role of the buffer workforce, and also highlights the silencing of the suffering of some groups. In the next section, I will explore how the framing of austerity also relies on assumptions about gender, and the exclusion of gender-sensitive economic analysis.

## **Framing austerity through gender**

This section will discuss two important frameworks that enabled the application of austerity. Frameworks structure policy debate, and establish the underlying assumptions of such a debate. As such, understanding these frames is crucial in coming to understand how and why austerity was adopted, and why much contradictory evidence on its capacity for generating growth was excluded. Here I discuss the frame of flexibility, and argue that is used to obscure a key contradiction of austerity. Secondly, I examine the framing of a key economic idea, the fiscal multiplier, and show it requires the assumptions of gender-blind economics to be legitimate.

### **The flexibility frame and austerity**

Flexibility is a keyword of the discourse of austerity. It appears in many of the key documents arguing for an austerity response to the crisis, as documented below, and also is found repeatedly throughout the Country-Specific Recommendations (CSRs) (Clauwaert 2015). In this context, flexibility means the ease with which employment circumstances can change. It captures the ability for people to enter the workforce and change jobs, but it also captures the ability of employers to adjust the number of workers they employ with less friction or costs, or to reduce or increase the hours worked by those workers. In this section, I explore the relationship between this framing of austerity reforms as flexibility and the coherence of austerity more broadly. I then examine flexibility in two key documents of European austerity, and





in an examination of a year of the CSRs. The key point of this section is that the idea of flexibility is both gendered and essential to the austerity discourse.

For the structural reforms of the European austerity programmes to be successful, flexibility in the labour force must be possible. If there were not sufficient flexibility, nor the possibility of creating such flexibility, then many of the structural reforms would lead to unemployment, and therefore to a productivity gap and to low or negative growth. For austerity to be believed to deliver growth through such reforms therefore requires the idea of flexibility. In this way, flexibility is a prior idea, a frame, through which austerity is advocated. Flexibility, whether existing or potential, is therefore essential for austerity's coherence and legitimacy.

Indeed, flexibility is tied to another keyword, competitiveness. Throughout the documents of European semester, recommendations concerning flexibility are justified as increasing competitiveness. This relationship is particularly salient in the context of members of the Eurozone. Competitiveness cannot be derived from currency devaluations, and so "internal devaluations" are needed. Internal devaluations are meant to make economies more competitive by lowering the prices of their goods and exports. Devaluation is often done through adjustments in the currency levels—making exports to other currencies more competitive. However, since members of the Eurozone cannot make such adjustments, prices must be reduced in another way, through "internal devaluations". Internal devaluations are a process of downward wage pressures that are supposed to increase global competitiveness. Goods (and services) become more competitive when they cost less, so wages paid to workers involved in their production must be reduced in the pursuit of competitiveness. Wage reductions are constricted by existing employment agreements and labour laws, so flexibility is required to bring this cost of labour down. Increasing the hours worked by employees, or shifting employees to part-time work, provides this flexibility. Additionally, lessening the costs to employers in making employees redundant is exactly the type of flexibility that enables this price-lowering drive to competitiveness. If this flexibility were not part of the reforms of austerity, the growth required to justify austerity would be much more difficult to stimulate, and to predict in the economic modelling of austerity. Thus, flexibility is essential for austerity to make sense, to be coherent.

I return to the "Austerity Myth" paper to examine how flexibility is used to promote austerity. Buti and Carnot celebrate that austerity leads to flexibility, stating that "flexible work arrangements and lower nominal rigidities reduce the impact of downturns on outright layoffs" (Buti and Carnot 2013). This claim is their response to the criticism of austerity as unsustainable. They are arguing that austerity creates flexibility in the labour market that can prevent increases in unemployment. Put more directly, they argue that austerity reforms lead to lower wages and increases in part-time work. Indeed, what is being described here is the feminisation of the workforce (Allon 2014; Sassen 2000; Standing 1999)—flexibility implies non-unionised workers, with lower or less protected wages (less nominal rigidities). The greater the feminisation of the labour force, the easier it is to cut wages, or require longer work for the same pay. Feminisation of labour captures both the increasing presence of women in the workplace, and the changing dynamics of the relationship between employer and employee, shifting the standards once enjoyed by secure,



mostly male, employees, to those endured by less secure, mostly female, employees. Women already make up the majority of part-time and low paid workers, and the advocacy of flexibility argues, often implicitly, that more work should become similar. Additionally, such flexibility is likely to develop in female-dominated industries more easily than in male-dominated industries, since such industries tend to have less protections and trade union affiliations. Flexibility, which is supposed to temper the unemployment caused by austerity, and therefore to protect its coherence as an economic policy, is gendered both in that it relies on a feminisation of labour, and is gendered in its impacts.

In the Country-Specific Reports (CSRs) for 2014, flexibility of the labour market is mentioned in the recommendations for 18 of 27 member states. Workforce activation is mentioned in all 27 of the reports. Workforce activation captures both the supply and demand factors of labour market. As such, workforce activation recommendations include incentives to employers to hire more, in particular at the entry or junior level. But workforce activation also incorporates measures to encourage people, in particular women and young people, to enter the labour market, such as improving access to childcare, or reducing benefits for non-workers. The two are often connected, with flexibility the recommended mechanism for achieving workforce activation.

It is important to be very clear about how flexibility is used in these documents, and in the wider programme of economic reforms. Different flexibility measures can have very different impacts, in particular on gender equality and in terms of disproportionate impacts on one gender. Flexibility of employers could be very welcome, for example, in enabling parents to enter or remain in the workforce while faced with various care responsibilities. However, that is not the type of flexibility that is the focus in the European Semester. Flexibility is predominately sought from employees.

Within the recommendations, there is a clear aim of increasing women's labour force participation. Under this aim, there are two interconnected recommendations proposed repeatedly. The documents propose increasing the incentives for women to enter the workforce. This is to be done through a combination of increasing the availability of childcare, and through the removal of financial disincentives for second earners. For example, in 2014, the recommendations for Italy suggest that the government "adopt effective action to promote female employment, by adopting measures to reduce fiscal disincentives for second earners...and providing adequate care services" (Commission 2014). This means, in practice, removing benefits that may encourage or facilitate women to stay at home, while also increasing the level of childcare offered, primarily through private provision. Within the 2014 CSRs, there is no recognition of the impact that austerity has had on pre-existing childcare practices, or on the shifts in financial incentives created by flexibility in the workforce. Flexibility reforms, including those recommended under the European semester, and indeed in the "Memorandum of Understanding" agreed by member states that were part of bail out programmes, can often shift the incentives for second earners—working fewer hours or for lower wages can easily mean that wages don't cover childcare costs. This approach to flexibility highlights the contradictions of austerity when it comes to women and the labour force. Policies of cutting public services



and lowering wages push women out of work, and yet women are expected to enter the workforce to increase growth. Additionally, the working conditions that result from the emphasis on flexibility may end up being less suitable for people with care responsibilities, while the supports for people who choose to focus on those responsibilities may simultaneously be reduced. The keyword of flexibility is then a rhetorical tool for obscuring this contradiction, and is therefore central to the coherence of austerity.

### **Framing austerity models: the story of fiscal multipliers**

At the core of the debate over austerity is the question of whether cuts to government spending really can lead to growth. This question boils down to the idea of the fiscal multiplier. The fiscal multiplier is the extent to which changes in government spending or taxation impact on growth. It applies to both cases of increases in spending or tax cuts, and in spending cuts or tax increases. The theory of austerity holds that this number is low as a result of spending cuts: reductions in government spending encourage private sector activity, and so the fiscal multiplier is somewhere below 1 (Blanchard and Leigh 2014). As a result of this theory, the economic models used in European Economic Governance (and, indeed, by other international institutions), included an assumption of a fiscal multiplier of between 0.5 and 1. It is now clear that such assumptions were wrong, and were a major contributory factor in the overestimating of the potential for growth resulting from austerity. Subsequent analysis of the actual effects of austerity put the number of the multiplier closer to 3 (Blanchard and Leigh 2013, 2014). It is now clear that the fiscal multiplier varies significantly across countries and time. In particular, the level of interest rates has a substantial impact on the level of multiplier. Austerity applied in the context of interest rates that were at, or close to, zero, has been shown to have a stronger multiplier effect than in more “normal” times when interest rates were higher (Wren-Lewis 2016).

The fiscal multiplier is gendered due to the fact that not all cuts or increases result in the same multiplier. Due to the segregated nature of the economy, austerity can be deeply gendered, as discussed above. However, research has shown in the context of spending increases, that targeting care work and social infrastructure more broadly can have a greater (positive) multiplier effect than investment in physical infrastructure or energy. One study even found that investment in the female-dominated care sector can generate up to twice as many new jobs, for the same level of investment in male-dominated industries such as construction (Antonopoulos et al. 2010; Perrons 2017). As the application of austerity has involved cuts to social infrastructure, it is possible that a similar gendered dynamic is playing out, contributing to the much higher multiplier effect than predicted. Austerity then requires the assumption of a gender-neutral economy in order to be coherent as a policy response to recession. It is only through the absence of a gendered understanding of consumer behaviour, debt and recession dynamics that theory of expansionary fiscal contractions could make sense.



The debate over the fiscal multiplier has highlighted the frames that structure austerity arguments. For example, the level of recession of an economy was not properly considered, and expectations were based on experiences of cutbacks in non-recessionary economies. While the IMF in particular has begun to focus on some of these assumptions, there are also gendered assumptions that shape the fiscal multiplier theory and expectations. Firstly, the reason that the level of recession and the level of interest rates influence the fiscal multiplier is because they influence the behaviour of investors, employers and consumers. A combination of credit or capital availability and the expectations of economic actors dictates how much, or indeed whether, people or companies will spend. In generating the expected fiscal multiplier to model the impacts of austerity, assumptions about people's willingness and ability to take on debt are made.

Decades of feminist research point out that, due to their different positions within the economy, men and women interact with credit and debt differently (Elson 1991, 2004; Guerrina 2017; Perrons 2015). Women are less likely to be able to secure credit, for a variety of reasons, including gendered assumptions about creditworthiness and a lower likelihood to hold assets. Despite this, the modelling of the fiscal multiplier done by the EU and other institutions does not take gender into account at all. The models rely on a conceptualisation of the "representative consumer" (Bakker 1994; Ferber and Nelson 2009), which should capture any variations in actual behaviour. The absence of any consideration of the gendered dimensions of consumer behaviour in these models reflects the broader economic assumptions that imagine a gender-less world. Gender is yet another element of context that was missing from the models of austerity. As such, the assumption of a gender-blind economy frames the construction, use and discussion of such economic models. This means that for such models, and the discussions they shape, to be coherent, there must be an assumption of a gender-free economy.

Of course, gender considerations are not the only factor that was excluded in order to make austerity coherent. Worryingly, however, in the debates that are currently seeking to nuance understandings of the multiplier, gender remains absent. As the economic governance regime developed in response to the crisis becomes embedded and normalised, this question of the fiscal multiplier remains significant. Indeed, it frames the current debates over economic policy, and such debates will remain partial if they continue to exclude any understanding of the gendered nature of the economy.

## **Austerity and congruence: from consensus to controversy**

But we would say that more often than not, these recommendations have been and remain sensible and in line with those advocated by other institutional organisations such as the IMF or the OECD (Buti and Carnot 2013)

Austerity has been a highly contested policy programme and philosophy. As such, the congruence of austerity with the wider norms of the audiences addressed by Commission and others promoting austerity was always in doubt. Congruence is



the process of connecting an idea with already existing and widely accepted norms. Congruence has previously been used in work addressing the puzzles created in the context of neoliberal policy making and the ideas of austerity: why and how did these ideas become so entrenched as to survive both the crisis moment and increasing contestation in the aftermath of the crisis? Congruence is one of the key factors identified in the study of the resilience of neoliberalism (Schmidt and Thatcher 2014).

As the EU seeks to legitimise the new power dynamics of economic governance that have emerged since the crisis, they must present such changes as complying with a generally shared set of assumptions about the purpose of policy and economics more broadly. This involves the communication of economic policy through existing standardised language (jargon) and formats, such as statistical analysis or through reference to widely used economic models. This is a discursive practice that seeks to embed European economic policy within wider norms of economic policy. These types of connective discourse are not limited to economics. For example, in other epistemic communities, the use of map scales, the reliance on certain key sources, and jargon or other specialised communications are seen creates a self-reinforcing practice of setting the boundaries on debate and contestation, and in stabilising existing practices, approaches and bodies of knowledge.

In this final section, I explore the role of the explicit appeals to authority of international economic organisations in establishing the congruence of austerity. Here I identify how the gendered nature of austerity at the EU level is not unique to Europe, and that in fact European austerity is congruent with a global narrative of austerity that obfuscates gendered impacts and invokes gendered stereotypes. However, I will also explore how the congruence of austerity was destabilised by changes in the international consensus. This shift of the Commission away from the language, and even the practices, of austerity (Schmidt 2016b) highlights how necessary such congruence is. It also highlights which groups or actors were necessary for congruence—as changes in the views of the IMF and other global economic actors created incentives change, whereas the consistent opposition to austerity from feminist groups or more gender-sensitive international actors did not seem to threaten the congruence of austerity.

I return to Buti and Carnot and their article against the “austerity myth”. They argue repeatedly that the austerity measures they are defending are in line with international practice. This explicit appeal to such authority is a key example of congruence at work. Indeed, the output legitimacy of austerity policies has seen its greatest challenge arising from the fracturing of this international consensus, as the IMF in particular began to question the economic rationale for austerity (Elliott 2016). The previously unanimous agreement on austerity was deeply political, however. As Blyth and others have documented, the work of a particular network economists was key to adoption of austerity (Blyth 2013; Dellepiane-Avellaneda 2015; Helgadóttir 2016). What I have argued here is that, in addition to the influence of certain economists, the gender dynamics of austerity also played a role.

Amongst the networks of global and regional economic management, gender concerns are side-lined, if they are addressed at all (Guerrina 2017; Schuberth and Young 2011; Walby 2015; Weiner and MacRae 2014). This is a necessary condition



for the application of austerity in Europe. Counterfactually, if institutions such as the IMF and the OECD were to be engaged in understanding the gendered nature of the economy, and in evaluating the impacts of policies on gender and other equalities, the defences of European austerity would face a difficulty in finding congruence, as it does not engage in such analysis. Such an engagement with the empirical evidence of the gendered nature of the economy would require adopting a gender-sensitive analysis of austerity in Europe and defending the disproportionate impacts on women. The exclusion of comprehensive gender analysis, at the global and European level is a “strategic silence” (Bakker 1994) at both levels, as each provides congruence for the other.

Tracing the shift in the discourse of European economic policies shows which concerns are prioritised. Comparing “the Austerity Myth” to more recent papers on economic governance, such as the Five Presidents’ Report (Juncker et al. 2015), shows which criticisms were taken on board. The Five Presidents’ Report abandons all mentions of austerity, of expansionary fiscal consolidation. Instead it talks of growth from investments such as the Juncker fund, and through education and innovation (Juncker et al. 2015). However, in moving past the rhetoric of austerity, it continues to offer a gender-blind account of the economy, and continues to obfuscate the disproportionate hardship and indeed suffering of women and marginalised groups. This highlights that output legitimacy is indeed sought from specific constituencies—that of the international economic policy community. That such a community also relies on assumptions of gender-blind economics meant that there was not the same pressure to reflect on the gendered implications of austerity as on the other failures of austerity.

## Conclusion

This paper has shown how gender considerations were excluded in such a way as to contribute to the coherence of austerity as a policy. I have argued that austerity is gendered, not only in its outcomes, but also in the very assumptions on which it is based. Moving forward, while the EU and other institutions may shy away from using the label of austerity, and while there may be some more space for debate over the economics of austerity, the key mechanisms and standards of austerity are being normalised and even incorporated into the constitutions of member states in the EU. The structural reforms and convergence aims of the European Semester remain deeply connected to the underpinning ideas of austerity. As such, understanding austerity is crucial for understanding European Economic Governance. Further, by exploring how gender plays a role in the discourses of austerity, it becomes possible to see some of the dynamics of European integration in a different light. In particular, in understanding the interaction between “social” and “economic” policies at the European level, an understanding of the mechanisms of silencing and obfuscation discussed in this paper can only help to improve our analysis.

In particular, it is important that discussions of austerity, and of European economic policy more broadly, do not continue to exclude any discussion of gender. As this paper has argued, gender influences both the construction and application of



austerity. It is the very absence of any gender analysis that helps to make austerity seem both legitimate and coherent. As such, it remains in the interest of EU economic policy makers to keep gender concerns excluded from debates on economic governance. While it seems clear that such policy makers will continue to act as though the economy is not gendered, and continue to discuss economic policy without any reference to gender, what is still to be seen is whether other actors involved in such discussions and debates continue to follow that path also. Ignoring the feminist critiques weakened the opponents of austerity, and continuing to do so will limit any future constructive engagements with EU economic policy.

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