

# INTRODUCTION

Austerity, Measured



*Theodoros Rakopoulos*

This volume aims to show that austerity is not an isolated phenomenon, a specific instance situated in recent events in Europe. On the contrary, the book argues that structural adjustment policies, an agenda that goes back quite some time, have served as a backdrop to the currently generalized austerity configuration. Scrutinizing such policies teaches us that austerity has a historical depth and geographical spread that are vaster than what is commonly perceived.

Indeed, how ‘European’ a term is this ‘dangerous idea’ (Blyth 2013)? In order to appreciate the phenomenon as it has been recently developing in European settings, we need to attempt comparisons with structural adjustment, the global normative order of capitalism.<sup>1</sup> This aim is served by the anthropological make-up of this volume: ethnographic analyses focusing on places in and outside Europe show the broader makings of austerity. The chapters, therefore, explore the term beyond its current political and intellectual confines.

Anthropology is perfectly equipped to examine this global life of austerity via its comparative approach, a sometimes forgotten premise of the discipline. It is important to investigate how austerity events ethnographically

unravel and to compare how cases elsewhere have preceded, foregrounded, or even ‘inspired’ European austerity measures. Specifically, the book puts forward an intensely comparative endeavor, exploring different cases where austerity policies, broadly defined, have been applied.

By austerity policies I mean an agenda that aims to hit not only the public sector but the public sphere at large. It is expressed in a series of cuts to sectors of the economy that benefit the public at large—education, health, and similar facets of a state’s budget. Austerity measures affect social cohesion, exacerbating inequalities. What is more, austerity is a time mechanism, as Bear (2015) also suggests, that adjusts the workings of the social—for instance, the rhythms of labor—according to strict deadlines of fiscal obedience.

In that process, austerity measures *measure* social life, adjusting it in order to satisfy the payments of debt. Working toward paying debt installments becomes a goal for all members of society. Austerity is, therefore, a way in which society at large, regardless of stratifications or culpability, is called on to pay an indebted state and/or banking system. As state debt (or sovereign debt) is itself the outcome of states shouldering investment banks’ mishaps, austerity works as a form of financialization of everyday life.

I thus perceive austerity in the broad sense, as a policy dogma that aims to change social formations and re-evaluate the worth of people’s lives. Such an approach allows us to situate the phenomenon in a broader historical and geographical context, as it allows for comparative work across different ethnographic instances. The contributors of this volume share, in their common endeavor, an epistemological position that is in line with the anthropological premise to think beyond Eurocentric schemes of reference.

Austerity has been heatedly debated in recent years because governance regimes in (mainly) Western Europe

and North America prescribed it as an antidote to the global economic crisis of late 2008, now one decade in the making. In the wake of that crisis, and particularly of what became a series of sovereign debt crises, especially in Southern Europe, austerity became the policy of choice to tackle what policy makers thought was irresponsible spending. This was no novelty: in fact, Africa, Latin America, and Asia had experienced austerity long before the IMF wave reached European shores. Just like in those places, adjustment has taken a toll on European economies. Austere, frugal budget plans have contributed to deepening crisis in the conventional sense of the term—unemployment and economic stagflation, accompanied by social desperation.

Writing about austerity (Muehlebach 2016), exploring the potentials it allows (Papataxiarchis 2016), and even suggesting alternatives to it (Bear and Knight 2017) have been a focus for anthropologists in recent years. However, little has been written regarding how we come to place ‘it’ in the world, and why anthropology provides an excellent vantage point to scrutinize austerity’s real effects in space and time. The main contribution of this volume is to examine precisely what this location work—putting austerity in its broader context—implies. In practice, we postulate that austerity is located in more places than usually perceived. It is a global phenomenon that has taken a specific formation in the current Southern European case (Rakopoulos 2019), but cannot be associated only with places like Greece. To appreciate it, there is a need to situate it in a more comprehensive scheme of things, including a more encompassing attention to debates about debt (see Peebles 2010).

For this reason, I see austerity not as a break from but as continuity with its preceding conditions, a point that radically differentiates this volume from earlier anthropological takes on the matter. For instance, when introducing a collection on austerity that draws from Southern European

ethnographic material, Knight and Stewart (2016: 8) discuss how crisis can “bend time.” The authors define austerity thus: “Austerity differs from endemic underdevelopment and poverty, in that it applies to situations where societies or individuals that formerly enjoyed a higher standard of consumption must now make do with less. It plunges societies into the converse of counterfactual history” (ibid.: 2). The collection thus aims to show how people in Southern Europe “are making sense of economic turmoil” (ibid.: 13). The authors propose that austerity brings forward “dynamics of reversal” (ibid.: 2) concerning perceptions of time, due to the breach it brings to the lives of people. For Greece, Knight (2015: 2–3) notes how “nearly three decades of prosperity were quite suddenly replaced by austerity and perpetual crisis.” Laura Bear (2015) similarly compares the nationalist welfare imaginary of an India of the past with a radical shift brought about by austerity.

While useful, some of these and other, similar analyses seem to emphasize historical breach partly because they report on subjects who enjoyed stable employment. However, in ‘pre-austerity times’, this material condition was representative of only a fragment of the population almost everywhere. In Greece during the 2000s, for example, instead of ‘exotic’ holidays in the Maldives or Mauritius, described as a routine consumption trend (Knight 2015: 1–2, 35, 157–158), precariousness, unemployment, and the informal economy reigned supreme. In fact, institutional precarity was a structural condition in Europe long before austerity settled in (see Peacock 2016). Access to conspicuous consumption was at any rate rare and remained a question of class. During years of fieldwork among people of working-class and lower-middle-class environments in urban Greece, I met no one who thought of traveling to the Maldives or Mauritius during the time of ‘prosperity’. The problem here becomes the social strata

that one focuses on and the extent to which research chooses to reflect the middle class's ascribed monopoly on enunciation (see Mapril and Blanes, this volume).

Even if austerity takes middle classes by surprise, it implies continuity and intensification instead of a breach with the past. In Greece alone, during and alongside the 'growth' of the 2004 Olympic Games, there lived a multitude of underemployed young people, the 'generation of the 700 [per month]' (cf. Palomera, this volume). Austerity did not change things: it maintained the domestic order of stratification and deepened the problems of the precariat—now a 'generation of the 400 euros'. Inequality soared because repaying the sovereign debt became the sole focus of political and administrative activity. The whole of society was called on to participate in the repayment, regardless of differing degrees of capacity to withstand cuts and taxation.

Under the pressure of market jargon, the semiotic field concerning the term 'austerity' has been narrowed in ways that cannot fully convey the meaning of the concept. The aim of anthropological inquiry thus becomes to shed light on the obfuscated lexicon of austerity. This light is informed by the concerns of people living under austerity, current or erstwhile. As recounted by Keith Hart and Elisabeth Schober (this volume), both Britain in the 1950s and Korea in the 1990s share a past and a present of austerity policies. Austerity is thus a thing of the past as well as a certain legacy that shapes contemporary policies across the world. The volume therefore surveys what had been happening *before* austerity got the world's attention. "We did not call it austerity back then," notes Hart in his chapter on post-war Britain. The comparative effort here entails bringing together different sites that lived through austerity measures *avant la lettre*, before it became known as 'austerity'. The moniker under which cutbacks in the

public sector were usually known as ‘structural adjustment’, or simply ‘adjustment’.<sup>2</sup>

In light of this, I would define austerity as a form of structural adjustment that is fiscally concerned. It has been developing recently within a monetary and financial context—the Eurozone—that does not allow Keynesian alternatives. Austerity thrives precisely in the naturalization of numbers, that ‘economy of words’ (Holmes 2013). The pundits of austerity present it as morally neutral, as a remedy for fiscal malaise, to use medical terms (see also Powers, this volume). Despite the fact that the remedy is proven to be deleterious, it keeps on being prescribed. The issue here is the construction of economy as a naturalized phenomenon that is performatively created through a particular moral normativity. This is what Don Kalb’s discussion of “lies and silences” and Keith Hart’s historical examination of the meanings of the “need for fiscal discipline” show in this volume.

The definition of austerity as a fiscally concerned adjustment that affects the developed world calls for investigating what ‘adjusting’ means as well as the model that societies are adjusting themselves toward. In that regard, we are looking at previous and parallel processes of structural adjustment, both in and outside of Europe, in order to make better sense of austerity anthropologically. In doing so, the volume’s chapters explore painful processes of class domination, as adjusting applies a uniform understanding of economy across diverse socio-cultural cases.

### **‘Taking the Bullet’: The Volume’s Chapters**

While it is significant to curve a specific analytical lens attentive to changes that austerity brings about, it is also important to pay attention to the capacity of austerity to

*prevent* change. In this volume, Patrick Neveling argues that austerity is an enduring ‘event’ that does not suspend but actually maintains order. It thus should not be seen as an exceptional breaking point, but rather in a continuum with ongoing global processes that have been present long before 2008 or 2010. Few Mauritian interlocutors seem to abide by the notion of rupture from a historical linearity of exploitation, as they have lived through structural adjustment since the dawn of post-colonial times. Neveling shows that we need to understand domestic political circumstances as well as foreign financial institutions’ directives of austerity in the historical scale of establishing Mauritius as an independent, fragile island nation. He is joined in this observation by the insights of Schober, Powers, and Mapril and Blanes (this volume). Commenting on our inability to account for austerity’s global formations, Neveling concludes that “anthropology’s understanding of austerity is closely related to the history of a given place.” In the Mauritian case, this means being reminded of how world-making transnational institutions (World Bank, IMF) have founded and imposed structural adjustment in the post-colony.

Currently, austerity is a normative plan to extend structural adjustment to areas previously immune from the reach of financial institutions. Much of the discussion on austerity that centers on Europe’s middle classes seems to understand the phenomenon as an unprecedented attack on these newly vulnerable people. As part of this process, terms that would normally be of analytical value are turned on their head. This is a process of reshuffling values and hijacking the moral normativity of ordinary people. As Kalb and Chris Shore and Sally Raudon show, it happened in Northern Europe with the demonization of Southerners, broadly defined.

In Portugal, according to José Mapril and Ruy Llera Blanes, this process implied that a specific segment of the

population, the middle class, was allowed the possibility of ‘enunciation’, of representing society at large. This is a discursive formation of austerity, indicative of how both austerity and objections against it are constructed as part of a process of silencing. Instituting precarity in the lives of workers has been a conscious strategy underlying many countries’ ascension into the European Union, including Iberia. Restructuring economies through the EU’s Common Agricultural Policy and deindustrialization impacted the lives of peasants, workers, and migrants, who experienced the staggering austerity processes a whole generation before the discussion on middle-class hardship entered the public sphere as ‘austerity’. Mapril and Blanes challenge the main perception of austerity and crisis as ruptures, revealing the *longue durée* of a silent austerity process that existed long before fiscal discipline was introduced in the early 2010s in Southern Europe. The authors move away from a trope in the literature, where austerity is understood as an adversity affecting mainly the middle classes.

Such discourse that confuses rather than explicates recalls what Marx noted on ideology. Kalb uses a Marxian lens to discuss this ‘economy of words’, a term introduced by Douglas Holmes (2013). Kalb argues that using austerity as a remedy for crisis in Europe distorts the real workings of the world’s political economy. The situation indeed constitutes what Blyth (2013: 57), using Marxian wordplay, calls the “ordoliberalism” of the “German ideology.” This normative liberalism, with its technocratic language, is pervasive in the hearts and minds of Europeans (ibid.: 138–139; see also Muehlebach 2016: 12; cf. Hart, this volume). According to Kalb, the Holmesian ‘economy of words’ approach is inadequate. Holmes’s usage of ‘the public’ overestimates the actual inclusiveness of the term, neglecting austerity’s main victim: the social majority. Moreover, his approach to money does not appreciate its

capitalist aspect as “limited public currency.” Kalb calls for attention to be paid to class politics and to the “historical context” where the social is caught in a web of carefully crafted lies, just as Mapril and Blanes call for such scrutiny ethnographically. In Kalb’s terms, “austerity luxuriates in (self-)deception” as it obfuscates “blatant class politics.”

Jaime Palomera contends that this situation often reflects new grassroots politics becoming institutionalized, as occurred with the Podemos, a Spanish political party. Accounting for the politics of the precariatized middle classes, Palomera analyzes austerity as a regime that hit those who were once privileged. However, he also places austerity in broader settings, according to the role of historical contextualization that Kalb reserves for anthropology. In the Spanish case, this role implies a concern with the process of class formation in turbulent times, in the Thompsonian sense. If by class formation we mean a capacity to defend collective interests on a mid- to long-term basis, the picture gets complicated. The incipient formation of class sentiment in Spain was co-opted by traditional party politics. This had to do with the tension in solidifying a grassroots movement while building a party at the same time. What is more, this loose electoral-political alliance reflects precisely the post-class formation of discontent that austerity brought about. The dominant vocabulary avoids explicit class categories; instead, those that prevail are ambiguous, including ‘common’, ‘decent’, ‘normal’ people versus ‘elites’ or ‘corruption’.

This ideological manipulation seems to win over many Europeans in general, as Shore and Raudon argue for the Greek case. The authors show how austerity is meant to be performed from below: it is a normative audit culture (Strathern 2000), and those imposing it expect that it must be lived up to. Shore and Raudon examine the narrative construction of the Greek crisis, specifically exploring the

ways in which EU policy makers framed and represented the ‘Greek problem’ and its solution. They argue that austerity undermines the fabric of Greek democracy and society by “turning the state of ‘crisis’ into the ‘new normal’” (cf. Eriksen 2016), and that it also redefines “the very *telos* of European integration.” After all, austerity pundits are now established at the heart of a Eurocratic life model (see also Shore 2012). This suggests a shift from an ideal of a European Union based on solidarity, peace, and cohesion to the ideology of austerity, which accelerates social fragmentation and produces an increasingly disunited, unequal, and conflict-ridden Europe.

The solidifying element of such ideology is the euro, a currency similar to the gold standard (Blyth 2013: 87). Keith Hart recalls how he learned that money is a rationing device long before he started studying it. His chapter reminds us of another type of austerity in a different era, where solidarity and “shared sacrifice” were Britain’s social glue: “Austerity then did not mean cutting levels of private and public expenditure, but sharing deprivation on an egalitarian basis.” He thus provides the *longue durée* history of the idea, coupled with a concern about money and the lack thereof (see also Hart 2017). Hart’s take on Holmes’s study of central banking also argues for demystifying the politics of austerity discourse. This is not a matter of a language-centered approach, but of a historical anthropology of the power regime behind austere budget choices. Hart wonders how tenable the European Central Bank’s crafting of austerity measures can be: “The ‘economy of words’ sometimes works, usually on a temporary basis ... Which interests shaped [ECB President Mario Draghi’s] policy and why? A cultural analysis cannot provide answers.” This observation, like Shore and Raudon’s, questions the phenomenon’s moralization. Austerity not only passes as necessary, but masquerades as virtuous.

Theodore Powers helps us to further question site-specific austerity critiques, this time in South Africa. In his chapter, the volume is again making the case that the crisis in Greece should not be seen as an isolated event. Studying the spread of infectious disease begs for comparison with regions that do not have a historically nested welfare state. However, Powers's medical anthropology is not making unsubstantiated claims in its comparative approach: his chapter reminds us of the limitations of certain comparative attempts. The uneven development in public investment in health between the Global North and the post-colonial Global South hinders research: we simply do not have enough hard data for the post-colony to measure how structural adjustment affected epidemic diseases and the public health catastrophes that most African countries go through. This applies for Powers's own region of ethnographic engagement, South Africa—a country organized on statistical precision that is facing an HIV/AIDS/TB epidemic. Powers critically engages with comparison while analyzing the austerity–structural adjustment nexus.

On that note, Victoria Goddard looks at the formation of *ajuste* (an Argentinian adjustment program) as a phenomenon in an indebted state outside the European context. The export-oriented Argentina took a different path from its European counterparts. Its Kirchner administration, in line with other Mercosur nations,<sup>3</sup> pursued redistributive policies for consecutive years. However, due to its extractive and agricultural economy, the country was vulnerable to commodity slumps, and the peso was susceptible to deflation. Like Kalb, Goddard analyzes sovereignty contraposed to the interests of financial capital. Sovereignty here is about defending the people's livelihoods. As Goddard reports from the streets of Buenos Aires, the moral obligations entailed in any debt were central to the public

discussion. When “vulture funds” became an issue, creditors were exposed for immoral conduct. Unlike the case in Western Europe and the UK, where moral obligation sided with the creditors (cf. Graeber 2009), here we have an interesting reversal of the blame game—this time with a clear idea that sovereignty is meant to protect livelihoods. This reminds us, for instance, of the way in which Iceland addressed its crisis, acknowledging the immoral conduct of the bankers involved (Durrenberger and Pálsson 2015).

However, some crises are used as an example for European adjustment. Elisabeth Schober’s chapter views the austerity condition through the lens of worker desperation after South Korea went through IMF adjusting in the 1990s. A few years before the crisis, Asian “tiger economies” were “still being hailed as *the* models of how rapid economic development is to be done.” During the 1997 crunch, however, these same countries were “recast as prime examples of crony capitalism.” This is therefore a case in which the process of constructing austerity in Europe was shaped by earlier examples from elsewhere. Similarly to Southern Europeans, who are currently subjected to moralizing claims about their putative laziness, East Asian populations were told during the wake of that earlier crisis that the downturn was essentially “of their own making.”

In the recent round of austerity affecting Europe, South Korea would come to play a role in public debates, with the image of obedient Koreans who ‘took the bullet’ of austerity in the 1990s being used to discipline European workers. Schober shows how phrases like ‘taking the bullet’, ‘no gain without pain’, and ‘burden sharing’ became paradigms for Western commentators looking to East Asia for answers to the Eurozone crisis. As she sees it, these pundits were “inadvertently spot on in their curious choice of words.” Schober uses the Korean labor activist paradigm to offer an ethnographic diagnostic of

austerity-related moralizing discourses, but also of ways in which people resisted these developments.

The goal of this volume is to help readers appreciate the long history of austerity's 'economy of words'. Rather than a quintessentially Western phenomenon, linked to the Eurozone crisis, austerity has a historical trajectory (see also Susser 2014), and over the course of recent history it has interacted with significantly larger geographical areas. We need to consider people, time, and place (anthropology, history, and geography) when thinking about austerity in relation to the economic crisis of late 2008, as this is a recent episode in a longer story and a specific instance within a wider geography. I argue that in order to understand austerity, we should pay attention to the broader contexts that it expresses and to which it belongs. These contexts are broad in both temporal and spatial terms. European austerity is maintaining previous regimes of precarity and cutbacks and is adapting measures applied elsewhere in the world under structural adjustment programs. The enduring event of austerity stems from the ways in which structural adjustment has been established. In particular, the ways in which 'adjustment' has become moralized globally have set up a framework for the construction and acceptance of austerity. The larger narrative of adjustment takes the form of 'austerity measures' in the case of the European sovereign debt crisis.

Austerity's current dominance is part of an older narrative. As Hart (this volume) notes, in a sense "austerity was the default slogan of conservative rulers for two millennia or more, and domestic self-sufficiency was the norm." There is comparative potential in exploring the interrelation between austerity and structural adjustment, especially since the former is a local configuration of the latter. There is equally as much interest in investigating ways to mobilize and resist austerity measures, as new forms of

solidarity come to life (Rakopoulos 2016). Meanwhile, we must “reveal the cracks in the austerity paradigm. Before long, the alliance of government and business to repress popular economic interests will not be protected by an economy of words” (Hart, this volume).

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**Theodoros Rakopoulos** is an Associate Professor in the Department of Social Anthropology, University of Oslo. He has worked ethnographically in the Palermitan hinterland of Sicily and in urban Greece, and he has published widely on issues including co-operatives and co-operativism, the solidarity economy, land management, labor and moralities, the Mafia, talk and silence, and conspiracy theory. He is the author of *From Clans to Co-ops: Confiscated Mafia Land in Sicily* (2017). His recent publications also include “The Social Life of Mafia Confession” (*Current Anthropology*, 2018) and the introduction to a special issue of *History and Anthropology* titled “Reimagining Wealth: Anthropological Explorations” (forthcoming, co-authored with Knut Rio).

## Notes

1. In fact, structural adjustment programs (SAPs) preceded the very idea of neo-liberalism itself.
2. In the Argentine case, the term for structural adjustment was *ajuste*, as described by Goddard (this volume).
3. Instituted in 1995, Mercosur is a South American trade bloc whose purpose is to promote free trade. Its functions have been amended and changed many times since its founding. Now a full customs union and trading bloc, its members are Argentina, Brazil, Paraguay, and Uruguay. Although a member, Venezuela has been suspended since December 2016.

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