

BOOK REVIEWS

Kevin Farnsworth and Zoë Irving (eds.), *Social Policy in Times of Austerity. Global Crisis and the Politics of Welfare*, Bristol/Chicago: Policy Press, 2015, 186 pp., ISBN 978-1-447319115

Policies of austerity are closely related to social policy: when austerity is defined as a leading priority, it results in a reduction of jobs in the public sector, cutbacks in social benefits (especially those addressed to the poor and/or the unemployed), the raising of taxes, and the privatisation of public institutions in order to restrict public expenditure. In their book, Farnsworth and Irving examine this interrelationship between austerity and social policy from a number of different angles. The book comprises six chapters written by Anglo-American authors covering disciplines such as social policy, sociology and political economy.

The starting point of the analysis is the global financial crisis of 2008 that is identified as *the* outstanding turning point in recent history. It does, in fact, represent, not one singular event, but rather a series of crises with different impacts in all areas of policy making. According to the authors, political and economic assumptions have recently changed in such a fundamental way that variations in welfare state patterns seem inevitable. The editors regard the ‘age of austerity’ as both a continuation of, and a break from, the neo-liberal policies of the 1990s, i.e. the ‘Third Way’ that had reduced the task of the welfare state to the provision of core benefits and services.

In order to verify this assumption, austerity is examined from several different angles. Chapter 1 (by Kevin Farnsworth and Zoë Irving) deals with the dimensions and driving forces of austerity and thus develops a theory of this, often used, but rarely analysed, term. Reductions in public expenditure over the last decade are presented for different countries and contrasted with tax increases and rising unemployment rates after 2008. However, it does not become clear how and to what extent austerity is actually leading to changes in welfare patterns that could be as substantial as the ‘Third Way policy’ of the 1990s. Instead, the authors adduce variations in the electoral votes leading to a stronger participation of both radically left- and right-wing parties in policymaking without, however, giving concrete examples of different approaches to social policy that might have resulted from these changes.

Chapter 2 (by Michael Hill) outlines the historical dimension of austerity. The author demonstrates how austerity accompanied the British welfare state in all its phases since its very beginning. Before and during World War I, austerity was an

issue and this became a constant feature afterwards: in the interwar period, during World War II and the post-war period, and then again in the oil crisis, which was at the same time the end of industrialism. Austerity turns out not to be such a recent phenomenon but, rather, a permanent imperative of a welfare state with ambitions and expenditures. The austerity of today is, therefore, neither new nor unique.

The third chapter (by Stephen McBride) gives an insight into the economic aspects. The author not only looks at the extent of cutbacks in social expenditure but also analyses the direct costs (such as spending for unemployment benefits) and indirect long-term costs (due to rising inequality) of austerity as such, and the sectors of society that must bear them. Balanced budgets, moderate wages, low tax and public spending rates are regarded as panaceas for economic prosperity and efficiency. But the real effects of such an approach turn out to be less favourable for the majority of the population: increasing differences in assets and income become noticeable, mass unemployment and lowering tax and contributions undermine public finances and all this brings about further imbalances between private and public spending and between the private households. Hence, instead of emerging new social political concepts, austerity rather leads to a reconstruction of the well-known neo-liberal 'recipes'.

The next chapter (by Bob Jessop) reflects on the concept of austerity as such, classifying it in different cultural contexts – both from a historical and a comparative perspective. The author points to relationships between the different approaches in the UK, USA, Germany and Greece and the general patterns in fiscal policy and the overall structure of these countries. He identifies austerity as a form of authoritarianism, illustrated by the influence of the Eurozone on Greek policymaking even after the election of the anti-austerity government in 2015. One might question, though, whether austerity itself is authoritarian or whether that is a characteristic of Eurozone's institutions. The author pleads for a stronger consideration of peculiarities of national legal, political and economic systems by showing the negative impact of budget-cutting promoted by the IMF and WB in the 1990s.

Chapter 5 (by Dexter Whitfield and John Spoehr) presents alternatives to austerity. A way out is a more balanced income distribution driven by tax and spending policy, public investment, a stronger regulation of the financial market and the promotion of new and innovative technologies, e.g. green energy. However, there is insufficient reflection on the possibility that such alternatives might also provide good cause for even more austerity, at least if they turn out to be unsuccessful in the end.

Finally, the aftermath of austerity for the welfare state is examined (by Frances Fox Piven and Lorraine C. Minnite), showing the different effects of austerity on the different social strata. Cutbacks in social benefits and wages affect much more those who have less than the well-off, leading to increases in poverty rates and inequality. The authors not only analyse European specificities but compare them with Latin-American experiences, contrasting cutbacks in the 'western' sphere with the introduction of new benefit systems as a result of massive anti-austerity

protests among the Latin-American population. One reason for these differences may be the policymaking institutions themselves: at the European level, this is not just the task of the national political parties that are directly influenced by voters' attitudes, but the supranational institutions that can act independently of such protests.

The book concludes with a summary by the editors, which is rather vague. They state that austerity, which was clearly connected with consumption in the post-war period, is no longer related to the individual but rather to a political strategy that erodes the trust in a strong and widely-present welfare state. This insight is, however, not very surprising, and conclusions remain unclear. Farnsworth and Irving introduce their book as a sequel to their 2011 work, *Social Policy in Challenging Times. Economic Crisis and Welfare Systems*. This book took the 2008 global financial crisis as the starting point but took a much broader view on the subject and gathered experiences from several continents and different social policy traditions. The sequel reproduces the analysis of the problems dealt with by austerity policy and the answers given by the critics of neo-liberalism, without offering a new perspective. This becomes evident in the final passage of the book, where reference is made to the 'hope' that the core principles of the welfare state can be salvaged despite current cutbacks. This hope builds upon the results of the 2015 elections in Greece, which gave a majority to the anti-austerity party, *Syriza*. It might just be that the editors want this tendency to become a blueprint for (worldwide? Europe-wide?) policymaking in the future. However, this is not a conclusion that is intelligible from the articles gathered in the book, thus leaving the reader somewhat perplexed.

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