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Austerity: Neoliberal dreams come true?

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Abstract
The 2008 global economic crisis paved the way for the construction of a new, elite-driven, capitalcentric, shrunken welfare state project founded on ideology disguised as pragmatism and objective 'truths'. Today, welfare states exist in a context in which a new politics of austerity sets the parameters of the debate. Austerity incorporates the neoliberal desire to shrink the (social welfare) state, deregulate labour markets and emphasise private markets as the drivers of growth, enabling a reconfiguration of the interests of capital, the needs of people and the role of the state. The new politics of austerity looks like a 'dream come true' for neoliberals. Or is it? There is also a powerful counter-narrative that suggests that the global crisis exposed the fundamental weaknesses and limitations of neoliberalism and forced policy makers to question core principles and change direction. Focusing on the International Monetary Fund (IMF), perhaps the preeminent global neoliberal interlocutor, and using quantitative textual analysis, the article locates some evidence of movement, but little to suggest that the fundamental assumptions of neoliberalism have been displaced.
Key words
austerity, IMF, neoliberalism, welfare states

Introduction

A major paradox lies at the heart of the 2008 economic crisis. The neoliberalisation of the global economy was the catalyst for the global economic meltdown and it may yet prove to be its undoing. But neoliberalism survived, reinvigorated through an alliance with a new form of austerity that emboldened claims for the residualisation of state welfare and safeguarded the power of economic elites. However, although this new iteration of neoliberalism may promise its proponents a more acceptable resettlement of the social contract, it is less stable and more full of contradictions than previous forms, and its risks much greater than commonly acknowledged (Ostry et al., 2016).This article begins by exploring the ideas and uncertainties that inform an understanding of what neoliberal dreams might be, their post2008 survival and the role played by austerity in their realisation. In the following section, the discussion sets out the ways in which post-crisis responses to deficit control can be understood as a strengthened 'neo' model of austerity when considered in the context of pre-existing ideological architecture, but one which also exposes more sharply the contradictions of the neoliberal dream of a small state. It is argued that neo-austerity implies not less, but more reliance on the state to enforce,

support and compensate for the social, political and economic losses that are incurred and that this is the central policy problematic with which governments and international organisations are currently grappling. The final section focuses on analysis of official discourse within the International Monetary Fund (IMF) both pre and post crisis, to examine whether the 2008 crisis has tested conviction in the most unapologetic of neoliberal institutions, and what this implies for the future direction of welfare states.

Neoliberalism is dead: Long live neoliberalism!

The 2008 economic crisis and subsequent Great Recession shook the foundations of neoliberalism. The whole globalisation project the motor of what Cox (1983) referred to as global neoliberal hegemony is itself being tested, with some questioning whether we have now reached a point of 'peak globalisation'. Meanwhile, the very international institutions that have most actively promoted neoliberal solutions to global problems have themselves begun to question its fundamentals (e.g. Ostry et al., 2016; World Bank, 2016). At the same time, however, the European Union has responded to the crisis by moving in the opposite direction, towards neoliberalism (McBride and Mitrea, 2017). But regardless of the direction of travel, the prognosis for social policy does not appear to be very much improved with national systems of collective welfare appearing more, not less, fragile. A parallel welfare element of the non-death of neoliberalism described by Crouch (2011) is its mutation into contemporary austerity programmes that in some cases have advanced neoliberal goals even further than was achieved prior to 2008. In policy terms, austerity has an advantage over more nebulous 'neoliberalism' because it has been framed as a defined, pragmatic, non-ideological and no alternative response to the specific 'problem' of government debt.

Given this, we might assume that the crisis represented a dream come true for neoliberals. Yet, testing whether this is indeed the case is very difficult, if for no other reason that virtually no-one and no organisation, ever self-identifies as being neoliberal. Exploring whether the austerity policies pursued across many states in the wake of the 2008 economic crisis represent a neoliberal 'dream come true', also raises questions about what unites the ideas of those labelled neoliberals, and here there are core ideas underpinned by liberal economics. Historically regarded as the most important theorists of free markets and small states, neither Friedrich von Hayek nor Milton Friedman referred to themselves as neoliberal, although Friedman did use the term.1 Distilling their work into 'dreams' or core desires, suggests that Hayek ([1944] 2001) dreamed of a world in which citizens would be free from the power of bureaucrats to pursue their own dreams, while Friedman (1951, 1962), more of a pragmatist, dreamed of small states and freely operating consumers. What unites these dreams is the importance of the market as a liberating bulwark against political and economic elites, and as a mechanism for maximising individual human creativity and endeavour (see Harvey, 2007; Mudge, 2008; Mirowski and Plehwe, 2009; Brenner et al., 2010; Crouch, 2011; Davies, 2016).

Despite the centrality of market freedoms, the conceptual imprecision and political ambiguity of neoliberalism makes questionable both its presence as a coherent project and its success (or failure).2 As Venugopal (2015: 170, 183) points out, 'neoliberalism' is often reduced to little more than "contextual wallpaper", an overstretched shorthand for a range of under-illuminated social processes; or, more specifically for critics, a "rhetorical tool and

moral device". As Stiglitz (2008) observes, neoliberalism is a "grab-bag of ideas based on the fundamentalist notion that markets are self-correcting, allocate resources efficiently, and serve the public interest well". This 'grab-bag' notion is reflected in the range of policy reforms that have featured in welfare restructuring since the 1980s: the push for deregulation in labour markets and the use of unemployment to discipline and entrepreneurialise the workforce; market reforms applied to previously state funded and provided public services to introduce competition; and the individualisation of the social (which encompasses both a moral dimension through responsibilisation and an economic dimension through reducing and residualising social transfers and services). Both variation and hybridity have been witnessed in the 'neoliberalisation' of welfare states as prescriptions for market reform have been mitigated during assimilation into states' essential welfare characters.

The notion that 'neoliberal' is more often a label imposed by critics also captures a key problem (see also Venugopal, 2015: 179181): although freemarket reformers may share broad principles, there are many different types of 'neoliberal' occupying different policy spaces in different capitalisms, and their differences may be more significant than their similarities in terms of their preferred social models. The ideological interests of even the IMF, the most unequivocal exponent of 'neoliberal' economic ideas, are interwoven with its purpose as a global actor and its constraints as an international organisation (Taylor, 2004; Mueller, 2011; Clift and Tomlinson, 2012). While elements of neoliberal economic practice clearly suit the financial sector for example, capital has no inherent desire for a 'free' market and neither are there monolithic prevailing business interests that support a small state per se (see e.g. Davies, 2016).

Given its global hegemony, it is worth turning our question on its head and asking who or what within the global and world regional polity has not succumbed to neoliberal dreams over the past three decades? Self-declared 'social democrats' such as Tony Blair and Gerhard Schröder pursued market-driven policy agendas that arguably were fundamentally neoliberal; 'social democratic' welfare regimes such as those of Sweden and Denmark have undergone significant marketising reforms since the 1990s; and in the wake of the economic crisis, the 'social democratic' European Union pursued decidedly neoliberal economic solutions (McBride, 2015). As Harvey (2007), Crouch (2011) and Davies (2016) have indicated however, even neoliberal adherents are prone to abandoning or reinterpreting the 'ideologically pure' free market principles on which they act, because as a "political project to re-establish the conditions for capital accumulation and to restore the power of economic elites … the theoretical utopianism of neoliberal argument has … primarily worked as a system of justification and legitimation for whatever needed to be done" (Harvey, 2007: 19). Thus, the fact that the neoliberal US employed some ostensibly social democratic strategies post-crisis, or that Gordon Brown (2010) proclaimed "the old Washington consensus is over" in 2009,3 would merely indicate a revised approach to achieving the same ends. Understood in this way, neoliberalism as used for the purposes of the analysis here describes the existence of a dominant set of ideas that shape economic and political discourse and prescribe a set of policy solutions regardless of the politics of the government in power. This is arguably the hegemonic world that international organisations

and governments occupy where agreement concerning the merits of markets and the assumed dangers of state interference in them goes largely uncontested. At its heart, this neoliberal 'dream' underpinned, prior to 2008, the policy prescriptions of intergovernmental organisations (Woods, 2006), the operation of global markets (Peet, 2009) and core global social policies (Deacon, 2007; Whitfield, 2010). Welfare state resilience, however, was also in evidence: national social policies were important to the functioning of the global economy. In the period leading up to the crisis, many governments were compelled to preserve and defend social policies, not despite the competitive pressures of globalisation, but because of them (e.g. Cerny and Evans, 2004).

There is a clear tension, however, between the (increasing) economic 'need' for state intervention to propel states' return to growth and the moral ideological neoliberal rejection of collective demand management. Contemporary focus on the 'productive' dimensions of welfare states incorporated in the notion of 'social investment', and the further shift in emphasis from 'passive' to 'active' social policy (Hemerijck, 2012) can be regarded as attempts to reconcile both social spending and its restriction. Austerity, meanwhile, can be seen to represent the triumph of the economic imperatives of the latter, while austerity's outcomes clearly demonstrate the necessity of the former. Debate continues about how this tension has played out so far in national varieties of austerity (Farnsworth and Irving, 2011), how significant national varieties are within variegated capitalisms (Peck and Theodore, 2007; Jessop, 2014), and what this implies for understanding of pre-existing forms of national welfare models (see Arts and Gelissen, 2002 for a pre-crisis review of these).

Although the 2008 financial crisis could have provided a window of opportunity to strengthen resistance to both the overt and more covert marketisation of everyday life, neoliberalism's devaluing of 'mystical' politics by economic rationality (Davies, 2016) has enabled its persistence. For social policy, the emergence of 'austerity' as a more convincing tool to delegitimise economic dissent and pursue yet deeper cuts and reforms in the public sphere, suggests that the post-crisis reconfiguration of the welfare state to its current economically elite-driven, capital-centric, shrunken form must surely be a dream come true for neoliberalism.

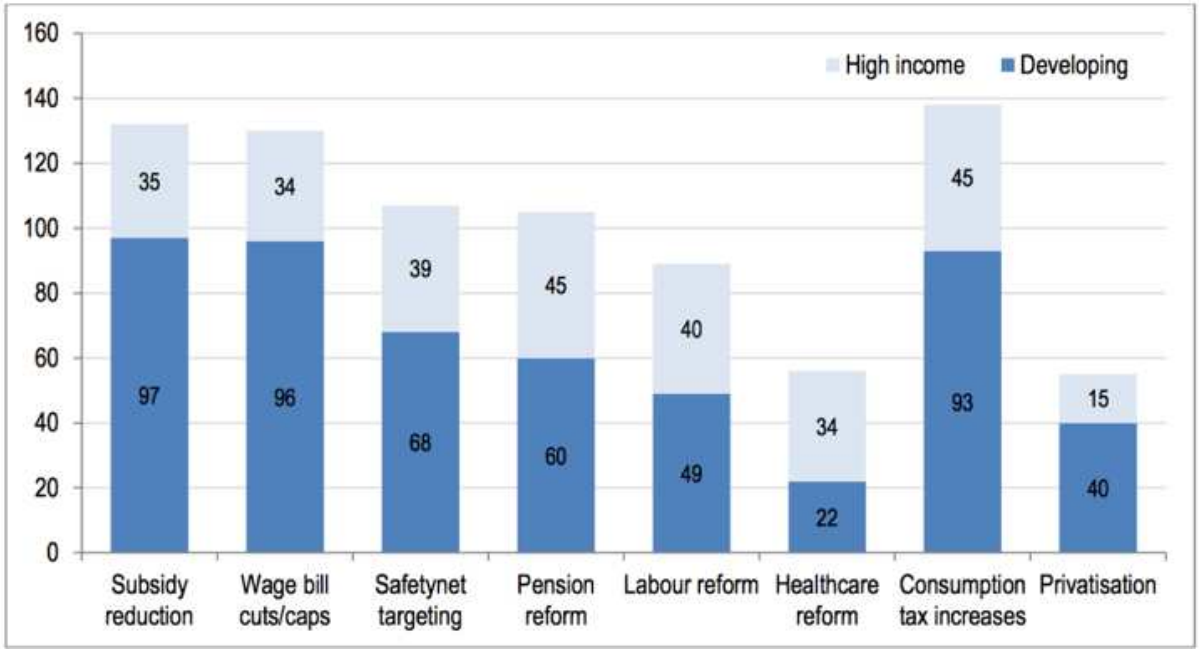
From austerity to neoausterity

As noted above, the resilience of neoliberal economic doctrine in the post-crisis era is symbolised in the strategy of austerity, but this can be viewed as an extension of a historical liberal desire to shrink the (social welfare) state, deregulate labour and emphasise private markets as the driver of growth (Blyth, 2013; Whiteside, 2016). Austerity is economically simple, and in many ways lent post-crisis coherence to neoliberalism, based as it is on a straightforward diagnosis of a problem (debt) and a clearly defined solution (state expenditure cuts). While it maintains this central economic tenet, contemporary austerity is unlike the 'socialised austerity' (Hill, 2015: 50) of 194551 which was more concerned with consumer restraint to support civic investment. Post-crisis austerity also differs from the 'permanent austerity' of the 1980s90s (Pierson, 1998), which despite its legacy for welfare relations had not effected the kind of political immobilisation required to reverse welfare expansion. Following 2008, austerity for neoliberal times, a 'neo-austerity' has evolved to

exploit the political opportunities exposed by the financial crisis but also shaped by a very different set of structural constraints to those experienced during the earlier globalisation of markets. Global competitiveness had previously been sought in advanced economies in combination with the political preservation of national social and industrial models (EspingAndersen, 1999; Hall and Soskice, 2001; Hay and Wincott, 2012). After 2008, states' economic characteristics, such as the depth of financialisation, strength and location of export markets and, in Europe, membership of the Eurozone have been more significant in determining recovery.

Although there are national, local, world regional and supranational differences in the manifestation of variants of post-crisis austerity (Farnsworth and Irving, 2012; Jessop, 2015), its fusion with pre-existing neoliberal architectures has captured and confined the ambitions of both governments and economic organisations in a variety of new ways. Firstly, in an age when the public sector typically accounts for 4050 per cent of GDP in advanced economies, neo-austerity presents a definitive, pragmatic economic 'truth' in answer to the welfare state affordability question. The post-crisis public debt narrative, based on the 'proof' of government deficits has entered public consciousness as validation of the long-voiced warnings of neoliberal market reformers that welfare state expansion would end in disaster. The framing of austerity measures as a solution to contemporary fiscal crisis, achieved a 'magical' quality (see, for instance, Clarke and Newman, 2012) that is overlooked in simple assessments of social spending indicators which fail to account for the deeper intentions towards the reconfiguration of economies and welfare states (Farnsworth and Irving, 2015). Fiscal consolidation has been the unquestionable economic solution promulgated by international organisations, and widely accepted by the European Union and national governments. In monitoring the effectiveness of consolidation, the IMF (2014: 3, Table 1.1) presents data showing fiscal balances are negative but improving, which it interprets as encouraging. But it also reports that consolidation is mostly moving towards expenditure cuts rather than revenue-raising options in the advanced economies. This trend is supported in a more comprehensive International Labour Organisation (ILO) report covering 187 countries (Ortiz et al., 2015) which found that 45 high income countries, as well as 81 developing countries intended to cut public spending between 2016 and 2020. The report indicates that even where revenue raising is part of fiscal policy, it is focused on regressive consumption taxes 138 countries have planned measures such as increasing VAT and sales tax4 (see Figure 1).

Figure 1 Incidence of austerity across 183 countries, 2010-15



Source: Ortiz et al 2015: 12

Secondly, the kind of mobilised welfare state support that Pierson (1998) argued to be 'immovable' has been undermined through engineered conflicts between 'ordinary people' and other collectives (such as public sector workers or 'deadweight' beneficiaries of public funds). Anti-austerity resistance widely exists but its diffusion and appropriation into other forms of identity politics has so far prevented the level of solidarity necessary to effectively alter the economic direction. The neo-austerian model is one where the neoliberal desire for free markets dissolves the remaining bonds of solidarity that characterised post-war welfare state building, further atomises and disempowers labour thus preventing the reconstitution of these bonds (McBride and Mitrea, 2017), and reconditions social welfare expectations to their minimum. The ease through which this vision is realised is not remarkable in the social context of recession, falling incomes, job and housing insecurity and rising conspicuous inequality.

Changes in Gini coefficients show an associated general trend towards rising inequality in both market and disposable income (OECD/ILO, 2015: 9, Table 1), findings shared in the ILO Global Wage Report (ILO, 2016) which also notes rising global unemployment since 2010 and declining global wage growth (with and without the inclusion of China) since 2013. In terms of wealth, austerity measures deplete provision in areas such as employment rights, unemployment protection and education (Ortiz et al., 2015), all of which are associated with capacity for wealth acquisition (Credit Suisse, 2016a: 127, Table 4.5). What is more significant in the post-crisis era is the indebtedness of those in the bottom wealth quintile, who as 'net debtors' see no household gains from post-crisis increases in financial wealth. In the Eurozone for example, the debt-to-asset ratio of those in the bottom quintile is 108% compared to an overall ratio of 21.8%. In the US, the figures are98.8% and 13.5% respectively (Credit Suisse, 2016a: 128, Table 4.8). The share of global household assets accruing to the top 1% is estimated to have grown from 45.4% in 2009 to 50.8% in 2016,

with a similar rise for both the top 5% (at 77.7% in 2016) and top 10% (at 89.1% in 2016) (Credit Suisse, 2016b). 'Neo-austerity' is thus built upon the technical implementation of fiscal consolidation and a divisive ideological reframing of state welfare combined with the neoliberal strategy to retain power for economic elites. It has served to both alter nations' positions in the global market and legitimise the 'economisation' (Davies, 2016) of social policy that neoliberal globalisation was unable to secure.

Nevertheless, the greatest challenge for neoliberalism that has persisted through the crisis, is that despite deep cuts in welfare budgets and more stringent, and punitive, regimes of eligibility, it has still not been possible to get government 'out of the way'. The major contradiction within neoliberalism is that while it venerates the minimalist state, economic systems, especially sophisticated capitalist ones, require both an active and comprehensive legal, judicial and financial system and complex regulatory frameworks (Harvey, 2007) that in a global economy are far from 'minimalist'. Neo-austerity allows for this contradiction because in parallel with restricting public spending to prevent the build-up of national deficits, it enables targeting of social policy measures to support and promote private sector interests. While a range of discretionary social provisions and services, from public spaces to social care, are erased from the social citizenship balance sheet, the post-crisis years have seen increased demand for state support for private business (IMF, 2016: 36, Figure 2.6) and pressures for 'social' investment (ILO, 2016).

The argument that entrepreneurial success, profit and economic growth are better guaranteed without the state is both under greater evidential scrutiny (e.g. Mazzucato, 2014) and, with the rise of the nationalist/protectionist right, met with political disillusionment. Historically, this philosophical contradiction has not been lost on the international financial institutions: the World Bank has made loans through 'social investment funds' since 1990 and the various funds of the European Investment Bank have specifically this purpose. Thus, doing 'whatever needed to be done' as Harvey (2007) argues, has been fairly routine. However, there are indications that despite further eroding welfare states, and guaranteeing the rewards of economic winners, austerity measures may well have contributed to a weakening of neoliberalism rather than its strengthening. The 'stress-testing' of welfare states (Hemerijck 2012) has not only created widespread scarring effects on life chances without delivering the expected incentives and sustainable economic growth, it has also contributed to a legitimised lack of restraint for capital, political instability and populist rejection of globalised markets.

The kinds of individual freedoms envisaged by Friedman (1962) in his dream of a limited state and localised power, through individual political mobility, are in sharp contrast to the crisis of democracy and lack of political exit that Schäfer and Streeck (2013) describe in the age of austerity. The 1930s give some indication of the social and political consequences of increasing household debt combined with deflationary austerity and conspicuous inequality, and this was without the added contemporary risks associated with breaking long-established welfare promises and lowering legitimate welfare expectations.

The entry of 'inequality' and its drivers into the policy concerns of global governmental organisations indicates that these dangers are beginning to be recognised but not that a systemic overhaul is imminent. In a report to the G20, for example, the key international organisations raised the continuing long-term decline in the labour share of income in advanced economies as a problem partly because it "can also have political consequences if it erodes support for market-oriented economic policies or for globalization more broadly" (ILO/IMF/OECD/WBG, 2015: 2). This kind of internal and external discourse at the international level (see e.g. OECD, 2015) gives insight into how post-crisis neoliberalism is operating, and how and to what extent its international managers are reconciling fundamental economic desires with survivalist tendencies. With a focus on the particular contribution of the IMF, the following final section attempts to shed light on the way in which neoliberalism has been steered through crisis by one such organisation and what this implies for neo-austerity and neoliberalism.

Dreaming on: The International Monetary Fund

As an organisation, the IMF has arguably done more than any other to propagate global neoliberal hegemony (Mueller, 2011). It has been instrumental in propagating, and imposing core neoliberal principles on governments through 'soft' and 'hard' power (Deacon, 2007; Woods, 2006), the former evidenced through its national economy reports, the latter evidenced in loan conditionality, through regular IMF reviews of national economies, special reports and in interviews and speeches given by senior officials.

The IMF is first and foremost an organisation that seeks to assert 'cognitive authority' (Broome and Seabrooke, 2012) over its member states and to foster solutions to economic and social challenges that fit with its core beliefs. Its core beliefs are subject to change over time, but also have deep roots. The rhetoric may have changed in response to the crisis, but there is consistency in the general message (Vetterlein, 2015). The IMF, alongside other international financial institutions, helped to frame the crisis by identifying it, classifying it, diagnosing its causes and potential solutions, and presenting its policy advice as 'world's best practice' (see Broome and Seabrooke, 2012).

For the purposes of the research presented here, the outputs of the IMF are regarded as representative of how neoliberalism is framed in the global economy. More specifically, the following analysis of speeches given by key individuals within the organisation aims to provide greater insight into the evolution of neoliberal ideas, and particularly the ideas deemed most important for external representation.

Given the IMF's role in global economic management, it might have been assumed that the organisation would have presented a clear and coherent position on economic strategy in the aftermath of the 2008 crisis. Some degree of variation and muddling through in the face of economic uncertainty could be expected, but the IMF's messages were conflicting, and lacked conviction, even in areas where it had previously been most consistent. For example, on loan conditionality and the desirability and timing of government expenditure cuts, on

how deep and how fast such cuts should go, which countries should and should not be cutting at all, and what the purpose of cuts should be. However, the IMF's seeming inconsistency in approach is actually quite rational in terms of the institutional logic of the organisation, and quite consistent with the internal contradictions of neoliberal economics (Farnsworth and Irving, 2017; see also Moschella, 2015). Prior to the crisis the IMF had lost some of its relevance and authority (Masson, 2007), and by the 2000s, nation states were increasingly reluctant to seek its assistance. Primarily this was due to the negative perceptions surrounding loan conditionality, coupled with the fact that the world was awash with relatively cheap and accessible credit in the period leading up to the crisis, buoyed by the strength of the global economy in an unusually long period of economic growth and stability.

This important backdrop feeds into three important points that help to explain the IMF's position from 2008 to 2015. First, due to organisational constraints that it has itself characterised as problems of 'capacity' (IEO, 2014), the IMF was relatively slow to respond to the initial crisis with a coherent position, although its status was eventually boosted by a large funding injection from its member organisations in 2009. Second, in the latter part of 2009, Dominique Strauss Kahn, then Managing Director of the IMF, recognised that the crisis offered an opportunity for the IMF to prove that through Flexible Credit Lines, it could offer useful assistance to the kinds of economies developed Western economies primarily that would have eschewed IMF assistance in the past (see IMF, 2009). But third, since 2008, and as threats to stability in the global economy have grown deeper, IMF statements have lacked consistency on the importance of 'austerity' as a policy goal within nations (Farnsworth and Irving, 2017). Despite its earlier assurances on the shift away from structural adjustment (Broome, 2015), in forming a partnership with the European Central Bank and European Commission in order to bail out Ireland and Greece in particular, the IMF while gaining in status, has been driven back to type in its policy demands. While it may appear contradictory that the IMF as the guardian of global neoliberalism has itself been 'off-message' regarding some fundamental economic questions faced in the period of the Great Recession, economic growth through private market development has remained its key priority. However, balanced against this, the organisation has also recognised that major cuts in public expenditure across nations have threatened the stability of the global economy. This could herald a transformation in the thinking and approach of the organisation itself, or may simply indicate that the organisation is actually more flexible than previous commentators had assumed, or perhaps that it is willing to compromise in the pursuit of the long game. These findings echo Broome's (2015) findings of consistency in the prescription of fiscal consolidation as a postcrisis strategic narrowing of focus within the IMF, rather than a fuller organisational paradigm shift.

At the same time, there is some indication that neoliberal conviction in the IMF is wavering. In June 2016, following previous research notes that questioned the economic 'threat' of national debt (e.g. Ostry et al., 2015), the Deputy Director and Division Chief within the IMF's Research Department condemned with faint praise and stark evidence over thirty years of IMF neoliberal-inspired economic and social policy (Ostry et al., 2016). Two core elements of the neoliberal project in particular were identified as problematic: the rapid

removal of restrictions on capital movement and the pursuit of austerity. The authors not only question the evidence that these neoliberal strategies deliver stronger growth, they also acknowledge that they lead to greater inequality, and that such inequality itself undermines future growth. The question is whether these acknowledgements signal an essential shift away from the neoliberal fundamentals that have underpinned IMF activity to date. To examine this question empirically, the rest of this section reports illustrative findings from a study of IMF discourse.

Methodological note

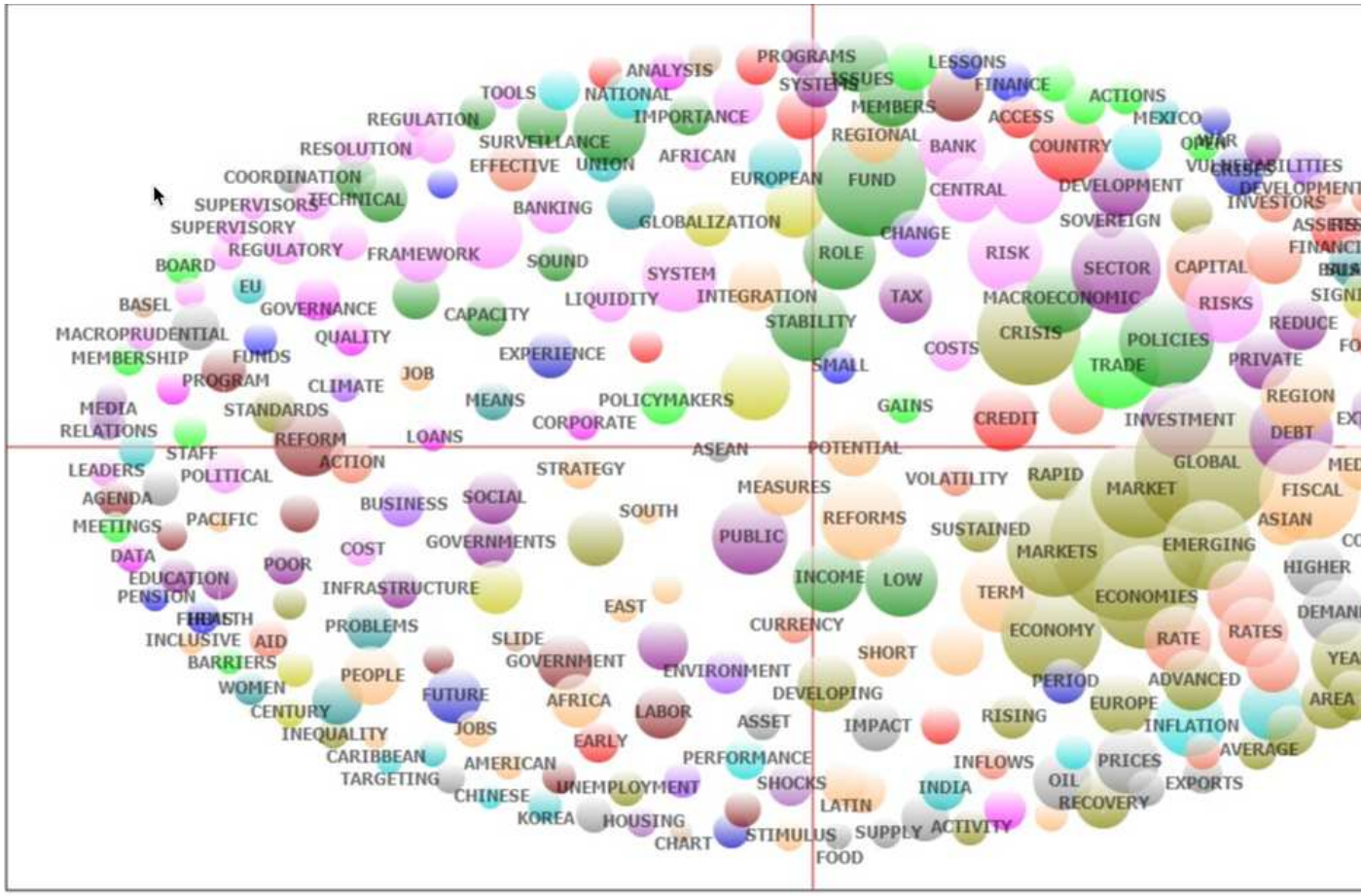
Analysis of IMF discourse was undertaken here through application of novel content analysis techniques: a quantitative word analysis utilising WordStat, a powerful textual analysis program. Fuller details of the method are outlined elsewhere (Farnsworth and Irving, 2017). The advantage of quantitative textual analysis is that the researcher plays a limited role in the selection of text from a given sample. Other methods of policy analysis typically involve researcher selection of illustrative quotes located within key documents or interview transcripts. The validity of these statements can thus be questioned, especially in the absence of other triangulation methods. Our analysis avoids the problem of utilising researcher-selected extracts or documents in two ways: firstly, the sample includes all speeches made by the most senior staff within the IMF over the time period 20042015, 741 speeches in total. The immediate pre-crisis years were included to capture change from the period of relative global prosperity prior to the crisis. Secondly, only those speeches made by individuals working for the IMF who 'speak' for the organisation in some way are included, thus excluding other documents published by the IMF which carry the warning that the views contained within them do not necessarily represent the views of the organisation (such as the Ostry et al., 2016 piece mentioned above). Once methods to clean the data had been employed, a multistage process was engaged as follows: first, WordStat was used to identify key words from the texts. These were extracted from the total word population of 175,000 words (after excluding the most common, e.g. 'the', 'of', 'this' etc.). The speeches sampled have been delivered with the intention of distilling and delivering the central ideas and policies of the organisation at any one time. Given this, analysing the speeches of senior members of the organisation provides valuable insights into temporal concerns, the direction preferred by the organisation's leadership and the evolution of organisational thinking.

Findings

In line with earlier comments on the ideological loading of 'neoliberalism', even the most unapologetically neoliberal organisation seldom mentions it by name. Of the 741 speeches analysed, neoliberalism was mentioned only once, in 2005 by the then Director of the IMF's Research Department, Raghuram Rajan and even here, the term is used to convey irony: Why is India so closed? The facile explanation is that we still remember the colonial experience, that some Indians see the process of opening up as a new colonialism, by foreign multinationals, foisted upon them by a fifth column of neoliberal Indian economists. Yet there is a big difference between a monopolist colonial power and multinationals, and that is competition. Competition keeps any single multinational from getting overly powerful, either economically or politically. There is no credible evidence that foreign firms have conspired together to exploit India, or that they have misbehaved any more than

similarly placed Indian firms though I do not want to imply that individually they have all been without blemish. (Rajan, 2005)

Figure 2: Visualisation of 61-cluster, cross-tabulation analysis



In content, this speech advanced an impeccable elaboration of core neoliberal ideas (see Davies, 2016): the assertion that competition protects citizens and nations against exploitative firms, and the importance of opening up markets to foreign capital. This statement came pre-crisis however, and as noted earlier, there were strong arguments in 2008/9 that the economic crisis had effectively destroyed neoliberalism. In considering the post-crisis period, textual analysis does indeed reveal changing discourse at the IMF over time, at least in the way its message has been conveyed by its leadership and senior officials, but the shift has been incremental and slow.

WordStat reveals the most important keyword clusters and selects words based on their usage, their proximity to, and association with, other keywords. What cluster analysis reveals is that social policy keywords (education, social protection, poverty) tend to be featured more heavily between 2009 and 2015 than between 2004 and 2008. This is the case whether measured by individual representative (Christine Lagarde mentions social policy in her speeches more than other commentators), by total word frequency each year, or by standardising and measuring word frequency as a percentage of all words. Conversely, the cluster most closely linked to structural adjustment, containing the words 'adjustment, consolidation, fiscal, measures, needed, reforms and structural' featured more heavily in the pre2008 period than after it. Multidimensional scaling on the clusters reveals a little more about the frequency and the proximity of words to each other, as well as temporal factors.

Figure 3: Correspondence plot: variation in keyword use over time

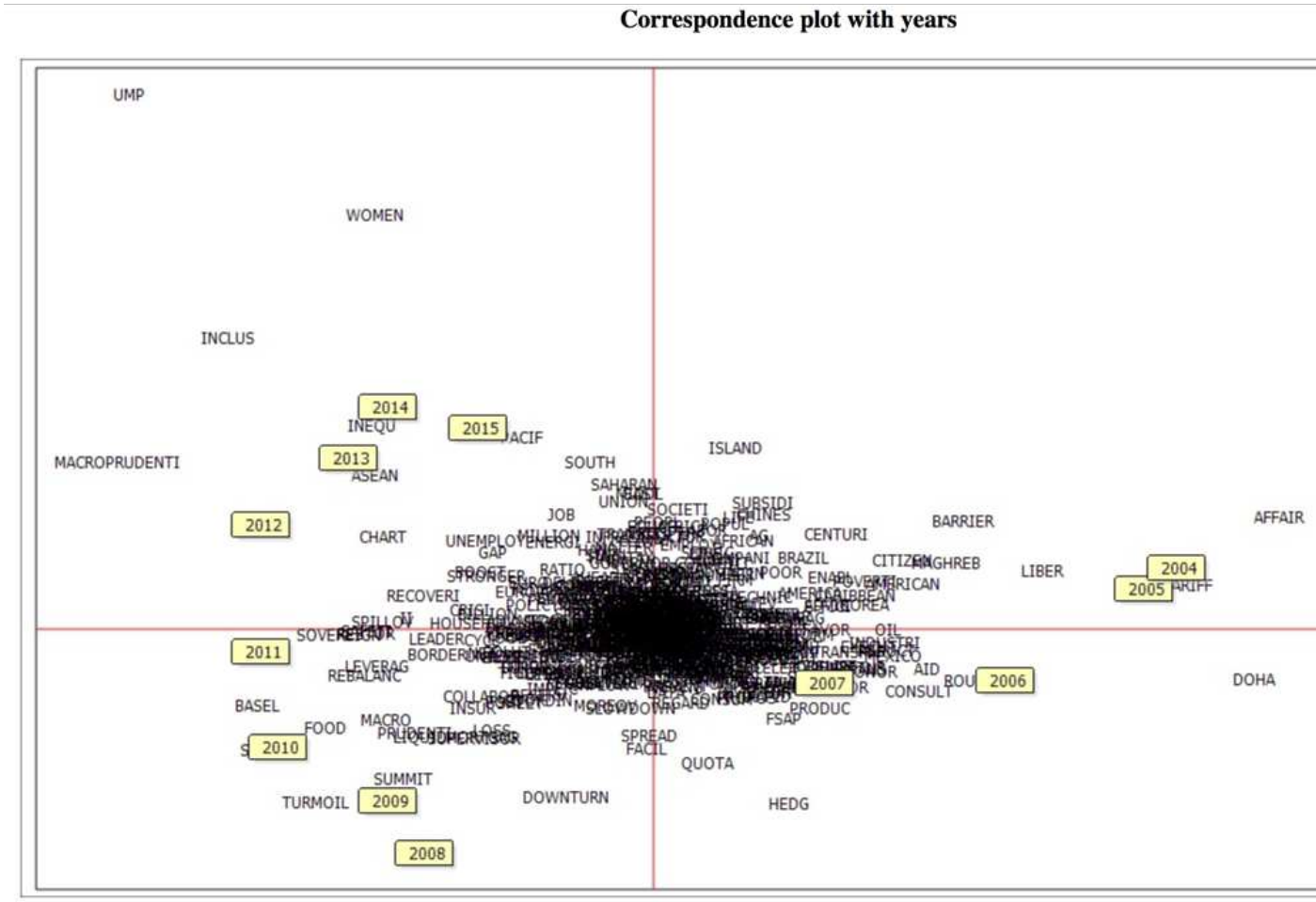


Figure 2 represents the most frequent and important keywords in the full population of 741 speeches between 2004 and 2015. In this respect, it is a concept map. The size of the bubble in the chart represents the frequency of the concept as it appears in the speeches over this period (as a percentage of all words within a given speech), with keywords most commonly found within the same sentences located closest together. Given the purpose of the IMF, it is unsurprising that the most privileged concepts (the largest bubbles) are related to the economy, markets, finance and trade. 'Social policy' related terms (pensions, health, education, benefits, people and so on) are clearly some way from the organisation's core concerns. This picture chimes well with Barnett and Finnemore's (2004: 6366) discussion of goal proliferation within the IMF, and the notion that 'social' goals (such as poverty alleviation) are actually quite "distant from the Fund's core competencies" (p. 66). As Broome and Seabrooke (2007: 579) indicate, the "narrow focus" of the IMF should come as no surprise given that this is what "its founding member states built into the organisation". While a portrait of the IMF as primarily economic is no revelation, it nevertheless has a wider significance for social policy scholars. This visualisation suggests a squeezing of social concepts, including those related to the welfare state, to the periphery. Important neoliberal economic concepts are also more strongly associated with similar and similarly frequent concepts, suggesting a greater coherence and symbiosis that is missing from the more disjointed social policy concepts. The impression that economically-centred and neoliberal terms are more prominent and more coherent within IMF outputs is clearly illustrated in this figure.

Examining temporal differences in keyword clusters also provides important insights. Figure 3 presents a correspondence plot a visualisation of cross-tabular data over time which plots concepts not only according to how closely they relate to each other, but also according to their strength of association with another variable in this case, with each year. The closer the keywords/phrases to other words and variables (in this case the year), the stronger their association with each other. The words and phrases that are captured here have been truncated (so that 'unempl' captures 'unemployed' and 'unemployment'). The actual words that are captured in the figure are not important here (most in the core are unreadable). What is important is that the figure illustrates a conceptual temporal journey from 2004 to 2015, suggesting continuity and incremental change year-on-year. Yet, the distance travelled is also relatively short.

Table 1: Keyword Proximity Matrix

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
2004		0.98	0.95	0.95	0.90	0.92	0.92	0.92	0.92	0.93	0.93	0.91
2005	0.98		0.97	0.96	0.92	0.93	0.92	0.94	0.93	0.94	0.94	0.93
2006	0.95	0.97		0.98	0.93	0.94	0.94	0.94	0.94	0.94	0.94	0.93

2007	0.95	0.96	0.98		0.95	0.95	0.94	0.95	0.94	0.95	0.95	0.93
2008	0.90	0.92	0.93	0.95		0.96	0.94	0.95	0.93	0.93	0.92	0.91
2009	0.92	0.93	0.94	0.95	0.96		0.97	0.97	0.95	0.94	0.94	0.91
2010	0.92	0.92	0.94	0.94	0.94	0.97		0.97	0.95	0.95	0.94	0.92
2011	0.92	0.94	0.94	0.95	0.95	0.97	0.97		0.97	0.97	0.96	0.94
2012	0.92	0.93	0.94	0.94	0.93	0.95	0.95	0.97		0.97	0.96	0.94
2013	0.93	0.94	0.94	0.95	0.93	0.94	0.95	0.97	0.97		0.98	0.95
2014	0.93	0.94	0.94	0.95	0.92	0.94	0.94	0.96	0.96	0.98		0.96
2015	0.91	0.93	0.93	0.93	0.91	0.91	0.92	0.94	0.94	0.95	0.96	

Considering the sheer volume of words analysed using the software, a stronger association between particular words and certain years would be expected; what is less expected is such a strong incremental pattern of words associated over time. In line with the earlier observation regarding recognition of the limits of austerity, 'inequality' becomes a keyword in 2014. Examining the data behind this figure (Table 1) reveals that, in simple terms, each year between 2004 and 2015 is most strongly associated with the year that precedes it. On the basis that each speech is different, and many are delivered by different individuals, it is notable that the pattern found should be one of incremental difference with a clear progression in discourse. The distance between 2007 and 2008 (signalling a change in discourse between these years) is especially noteworthy, as is the close clustering and progression from 2008 to 2014.

A more detailed exploration of the discourse itself, as opposed to the mathematical outcomes, reveals a greater level of concern regarding income and gender inequality, poverty and unemployment over time. Analysis of the keywords and concepts in the context of the fuller speeches from which they originate, shows that running through this discourse is a familiar argument that prioritises the economic above the social. Thus, cuts in social expenditure are regarded as problematic where they risk undermining growth and greater economic equality is important because it promotes growth. By prioritising growth in this way, it is not clear that the position the IMF now advocates is any less 'neoliberal' than before, and once growth is restored, so the 'need' for social policy may take another turn. The understanding of neoliberalism is key here. Simple notes of concern about social problems as a sign of change can be easily dismissed, since both Hayek and Friedman similarly expressed concerns about human frailty and accepted that some modicum of state social provision may be necessary for markets to freely operate (Friedman, 1962; Hayek, 2001). The data analysed here indicate that the IMF is some way from Hayekian libertarianism, and in reality it has always pursued a more interventionist line than the liberal purists to whom neoliberals may look to most enthusiastically for inspiration. Nevertheless, whether we examine IMF discourse, or indeed its policy prescriptions, it remains a reluctant and strategic interventionist and continues to prioritise the economic

far above the social. Privatisation and liberalisation are still firmly on the IMF agenda whilst concern over inflation has given way to a preoccupation with recovery through growth.

Conclusions

Although the 2008 crisis does not appear to have killed off neoliberalism, far from fulfilling neoliberal dreams, the subsequent age of austerity has in fact starkly revealed the inconsistencies and incoherence of 'neoliberalism' as an economic and political project. The ensuing economic crises after 2008 permitted the establishment of a stronger narrative on public debt and its implications for social spending than had been possible in the more prosperous 1990s and early 2000s, and the transfer Northwards of policy solutions well-practised in the global South. However, although fiscal consolidation is a handy tool to craft the harsher and more residualised welfare model long-preferred by market liberals, the wider and long-term social and political consequences of protecting economic elites at the cost of rising inequalities have been vastly underestimated. The 'dream' of entrepreneurial individuals operating creatively within the small state that has long been central to neoliberal philosophy and economics, and which has been pursued with renewed strength and vigour since 2010, is a fantasy: an objective not based on the reality of functioning markets, stable politics or the real costs of the pursuit of neo-austerity. The evidence discussed here indicates that although the limits to neo-austerity's legitimacy may be more exposed, there is less indication that neoliberal solutions to economic problems are on the wane. On the contrary, the position of the IMF as the model representative of neoliberal thought and practice suggests that neoliberalism retains its capacity for self-preservation and that social policy is simply one tool among many to achieve this goal.

Notes

1. Contrasting neoliberalism to nineteenth century laissezfaire, Friedman regarded its liberal newness as having to "explicitly recognize that there are important positive functions that must be performed by the state" (1951: 3).
2. The term 'neoliberalism' does not, for example, have an entry in the index of Readings in Economic Sociology (Woolsey Biggart, 2002).
3. UK Prime Minister Gordon Brown's speech on 2 April to the press conference following the G20 summit in 2009.
4. Other measures identified include reductions in subsidies on food and fuel; public sector wage freezes/cuts; targeting in social protection; reforms of pensions, labour markets and health care; and "privatizing state assets and activities" (Ortiz et al., 2015: iii).

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