



The Curious Prevalence of Austerity Economic Ideas in Public Debates on the Eurozone Crisis in Ireland and Finland, 2008-2012

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Abstract

This thesis explores why, and in what political process, austerity became the uniformly accepted policy response of Eurozone governments in the economic crisis of 2008–2012. It traces the path to austerity in two distinct Eurozone Member States, Ireland and Finland. Ireland, in this crisis, became a debtor country that had to do heavy domestic adjustment; Finland, by contrast, ended up in the group of Eurozone creditor countries, imposing structural adjustment programmes on the debtor countries. The analysis of the thesis emphasizes political agency behind ideas and shows the political process where perceptions about the economic crisis were formed. It argues that two types of politicization of the crisis were necessary for the outcome of interest, the prevalence of austerity, to happen. The Irish case demonstrates a two-stage process of politicization and internalization of the crisis, where the significant policy decisions were reached in a transnational, fairly technocratic policy process but were debated and internalized in domestic, redistributive and politicized process. The transnational stage was characterized by economic and practical reasoning, whereas the domestic stage represented a conflict about distributive justice. For Finland, the 2008–9 financial crisis was not domestically politicized at all. This only changed in 2010–12, when the crisis became re-interpreted as a sovereign debt crisis of the GIIPS countries. Yet the politicization in Finland did not come about as a typical domestic redistributive debate, but as a new type of supranational conflict over distributive justice. Such conflict was not primarily framed in terms of just burden-sharing, but in terms of national and European interest. It was simultaneously a debate on borders and boundaries – polity and identity – as it was about distributive justice. Alongside rhetoric, the official line of Finnish EU policy became tougher and Finland became perceived as an increasingly difficult and selfish member of the EU community.



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Bio: Sanna Salo is a post-doctoral researcher at the Department of Sociology of the University of Stockholm. Her main research focus in Stockholm is the uneven rise of radical right-wing parties across Western European democracies, which she studies in a comparative research project lead by professor Jens Rydgren. Sanna is also interested in contemporary changes in growth models of advanced Western economies, notably financialization, and its consequences for democracy, redistribution and party politics. In addition, her research touches upon the role of ideas in politics. Besides the PhD from the EUI, Sanna holds MA and BA degrees from the University of Helsinki