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The “eternal character” of austerity measures in European crisis policies

Evidences from the Fiscal Compact discourse in Austria

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Abstract

The European Fiscal Compact (FC) entered into force by 1 January, 2013 in 25 EU Member States. With the ratification the signatory countries commit significant parts of their budget to the European Commission and the European Court of Justice, which indicates a shift of power from legislative to executive authorities and the judiciary. In the aftermath of the economic crisis there can be observed a strong tendency to interpret the financial and economic crisis mainly as a sovereign debt crisis without any connection to the preceding crisis. This is reflected in several recommendations, which limit the scope of political decision-making in order to “calm financial markets”.
Applying an analysis of the public discourse about FC in three leading Austrian newspapers from December 2011 (the initial debate at an EU Summit) to July 2012 (the ratification in the Austrian parliament), the dominant rationale as well as legitimization and argumentation patterns will be examined. The methodology adopted in the article is based on a combination of critical discourse analysis and conceptual metaphor theory in order to illustrate the effectiveness of market-radical thinking of specific economic elites in public discourse. It can be shown that the public discourse about economic policies yet in a time of a potential “crisis of economics” is still dominated by economic ideas or “economic imaginaries” (implicitly) preferring austerity measures to active fiscal policies.

Keywords: austerity, critical discourse analysis, metaphor analysis, economic imaginaries, Fiscal Compact, Austria

JEL categories: B19, E50, E61, E65, G18, G38, Z18

1 Introduction

In the aftermath of the financial and economic crisis there was a strong tendency to interpret the financial and economic crisis mainly as a sovereign debt crisis without any reference to the preceding crises. Although the financial crisis initially could have offered a possibility for a fundamental paradigm shift in economic thought and economic policies yet a few years after the bankruptcy of Lehman Brothers there are hardly any signs of such a shift. (cf. Heise 2016; Green/Hay 2015; Pühringer 2015a). In contrast, the core "economic imaginary" (Jessop 2010; Sum/Jessop 2013) of a "functioning (financial) market", which had a formative impact on economic and particularly financial market policies still seems to be dominant in European crisis policies. A striking example for the subordination of political discourse to "the market" is given by the German Chancellor Angela Merkel: "Of course we live in a democracy and it is a parliamentary democracy […] so we shall find ways to shape parliamentary co-determination so that it nonetheless conforms to the markets." (Merkel 2011)

Merkel's concept of a "democracy in line with the market (marktkonforme Demokratie)" can be rooted in German ordoliberalism[1] which was and is still the core narrative in European crisis policies after 2009 (cf. Pühringer 2016). Due to the strong economic and political position of Germany in the EU and the Eurozone (cf. Bulmer/Paterson 2013; cf. Schoeller 2016) many scholars stressed a "return of ordoliberalism" (Young 2014; Biebricher 2014) or even an "ordoliberalization of Europe" (Blyth 2013). Streeck, referring to EU monetary policy and the central role of the Bundesbank argued that "European money (…) is Austrian, ordoliberal and neoliberal money" (Streeck 2015, 365). In a similar vein, Rommerskirchen (2015, 756) speaks of "EMU's[2] disciplinary neoliberalism". In the field of fiscal policy the strong influence of Germany is echoed in the European Fiscal Compact which builds on the concept of a "debt brake", already introduced in Germany in 2009 (Fabbrini 2013).

The European Fiscal Compact (FC) entered into force on 1 January, 2013 in 25 EU Member States[3]. With the ratification the signatory countries commit significant parts of their budget to the European Commission and the European Court of Justice, which indicates a shift of power from legislative to executive authorities and the judiciary. Following Colin Crouch's conception of "post-democracy" (Crouch 2004; 2011) the process of the implementation of the European FC thus can be interpreted as an example of a post-democratic phenomenon: While on the surface all democratic institutions and rules are working properly, an increasing number of

1 According to Mirowski 2013 ordoliberalism (beside Hayekian Austrian legal theory and Chicago School neoclassical economics) can be perceived as one of the main strands in the initial era of the neoliberal thought collective. Starbatty (2001, 252), one of the leading ordoliberal German economists denoted ordoliberalism as "the German variety of neoliberalism".

2 European Economic and Monetary Union

3 In fact only the United Kingdom and the Czech Republic refused to sign the treaty.

core political decisions is made “behind closed doors”, justified mainly with inherent economic necessities. Moreover economic experts in multiple roles continuously increase their impact on political discourse, and economic rationality is becoming the main guideline for policy-making. (cf. Lebaron 2006; cf. Maesse 2015) The shift of power from political representatives, particularly members of national parliaments and the European Parliament to seemingly independent experts of the European Commission also manifests in the EU crisis policy in the aftermath of the economic crisis. Oberndorfer (2012) describes the process of a shift of power as “authoritarian constitutionalism” which led to a huge loss of democracy.

The implementation of the European Fiscal Compact in Austria offers a good opportunity to analyze the austerity discourse in the EU, because as the social democrats also ratified the Treaty a variety of arguments in favor of the FC can be analyzed. It can be shown that the public discourse about economic policies in a period when economics is going through a crisis a potential “crisis of economics” is still dominated by “economic imaginaries” (implicitly) preferring austerity measures to active fiscal policies. The main purpose of this chapter thus is twofold. First, I will argue that the process of the implementation as well as the content of the Fiscal Compact can be interpreted as an example of a post-democratic development, which potentially hollows out and in the long term even endangers democracy in the EU. Second, based on the example of the Austria Fiscal Compact discourse it will be shown that the support of austerity policies particularly in public discourses often rests on moral arguments. Simultaneously, expansive fiscal policies are framed as an immoral and irresponsible behavior.

The remainder of this paper is structured as follows. Section 2 outlines the historical context and the main features of the FC and discusses the specific case of Austria. Section three presents the methodological framework of the chapter. Section four provides the results of discourse analysis of the debate on the FC in leading Austrian newspapers. A short summary and discussion of the core arguments of this chapter and some concluding remarks are given in section five.

2 The Fiscal Compact as a means to make austerity measures legally binding

Historically the FC can be seen in the tradition of the European Economic and Monetary Union (EMU) laid down in the Maastricht Treaty adopted in 1992 and the Growth and Stability Pact (GSP) adopted at the Council of Amsterdam in 1997. This EMU framework comprised economic convergence criteria (budget deficit below 3% and sovereign debt ratio below 60% of the GDP) in order to achieve a better coordination of national fiscal policies and thus was the first step towards a common currency (Euro). The core of the EMU are the “four freedoms” (i.e. free movement of capital, goods, services and people) which paved the way for

liberalization and privatization and restrictive fiscal policies in many sector of the economy (cf. Rommerskirchen 2015).[4] In this context the economic austerity policy in the European Union in the aftermath of the financial and economic crisis beginning in 2008 is just a consistent continuation of neoliberal policies already induced in 1992 or an example of the "strange non-death of neoliberalism" (Crouch 2011) after the crisis.

As a reaction to the economic and euro crisis in 2009/10 treaties such as the European Semester, the program for Economic Governance (six pack) and the European Stability Mechanism (ESM) can be interpreted as signposts on the way towards the FC and led to a "new constitutional architecture" (Fabbrini 2016) of European economic governance. The European Semester for instance permits the European Commission supervision of national budgets for the subsequent year. The then EU Commissioner for Economic and Monetary Affairs, Olli Rehn (2010) argues that this "will help us to correct imbalances and prevent deviations in due time, when Member States prepare their national budgets and national reform programs". Moreover, Rehn (2010) also anticipates automatic sanctions similar to the FC: "Sanctions should be the normal, almost automatic, consequence to be expected by countries in breach of their commitments." The ESM as part of the Euro rescue package was designed to support countries in financial difficulties under the provision that they fulfill strict requirements. Hence, the ESM allows the European Commission to put (economic) pressure on potential debt-countries to run a balanced budget. Finally, the six components of the Economic Governance ("six pack") can be seen as the last step towards the FC. Hence, some of the core measures of the FC such as balanced budgets (max. 0.5% structural budget) and the maximum sovereign debt of 60% as well as punitive payments in case of non-compliance with recommendations of the European Commission (0.1% of the GDP) and in case of forged statistics (0.2% of the GDP) have already been formulated. In a comment on the EU Economic Governance, Rehn (2011) pointed out that these agreements are the only possible way out of the severe crisis in the EU and thus urged for strict control: "I will not hesitate to fully apply the new rules with rigor from the first day these tools enter into force." Rehn concluded about the causes of the crisis: "Countries living beyond their means, the lack of economic reforms in the context of open markets, the building up of financial bubbles… The price we have paid is high, too high, and it should prevent us from falling again into the same traps." (Rehn 2011)

Following the main thesis of this paper, the FC has to been seen as the logical consequence of a reinforced neoliberal policy in the aftermath of the financial and economic crises in the EU. Hence, several "heavily-indebted countries (Schulden-Staaten)" have to be blamed for "living beyond their means," where at the same time there is hardly any discussion about the fact that sovereign debts in most European countries are a direct consequence of the massive bank rescue programs and stimulus packages of 2008 and 2009. (cf. Lane 2012)

4 For privatization policies in Austria see Mesch 2015.

The economic consequences of the FC are discussed controversially in academic economic debates. Heinemann et al. (2011) argue that a Treaty on fiscal discipline similar to the German debt brake improves the credibility of the whole Eurozone on financial markets. Strict budgetary limitations would therefore be an important prerequisite to solve the European economic crisis. Truger and Will (2012) in contrast criticize such an argument as "fundamentally flawed". Truger and Will as well as Truger (2013) argue that first, unstable fiscal policy was not the main cause for the euro crisis, second there are still ignored foreign trade imbalances and third, such an argument still rests on the flawed assumption that financial markets would behave rationally. Apart from the debate on the long-term consequences of strict fiscal discipline employed simultaneously in the whole European Union (see Keynes' paradox of thrift[5]) other criticisms on the economic consequences of the FC and the new European economic governance in general were brought forward.

De Grauwe and Ji (2013) as well as Sapir et al. (2014) showed that the Troika (IMF, ECB and European Commission) used their economic power and the financial dependence of peripheral countries like Greece, Portugal and Ireland to force them to consider heavy cuts in government spending and wages. Greer (2014) even compares these measures to the Structural Adjustment Programs imposed on African and South East Asian countries in the 1980s. The consequences were a strong decrease in demand, a heavy increase in (youth) unemployment and thus particularly in Greece a severe crisis of the social insurance and health system (cf. Kentikelinis et al. 2014). Hence, even the OECD warns about the long-term consequences of austerity policies in countries heavily hit by the crisis: "It is still too early to quantify the longer-term effects on people's health, but unemployment and economic difficulties are known to contribute to a range of health problems, including mental illness". (OECD 2014, 11)

Particularly the calculation methodology for the structural deficit and the Potential Output (PO) model of the European Commission, respectively, were criticized. Schulmeister (2014) argues that, because of the huge amount of variables to define the structural deficit, experts of the European Union are given the potential power to determine European economic policy in a specific neoliberal sense. Heimberger/ Kapeller (2016) particularly blame the Potential Output (PO) model used by the European Commission for vindicating pro-cyclical fiscal policies, i.e. a "downward loop" after the crisis and hence strengthen the effects of the crisis in the Euro periphery. They conclude that the PO model "serves as a restrictive and opaque 'experts' cage" (Heimberger/Kapeller 2016, 22). In a similar vein yet in 2010 Mathieu and Sterdyniak (2010) showed that the estimations of ECOFIN experts concerning the potential output in the EU substantially deviate from estimations of OECD experts based on different expectations. As these estimations after the inception of the FC are legally binding and in case of non-compliance result in

5 Keynes argued that when many countries or individuals try to reduce their expenditures or increase their savings during an economic recession, this leads to a fall in aggregate demand and could even result in an overall increase of debts and thus in an economic harmful situation for everybody.

automatic sanctions against EU countries this process indicates a shift of power from politicians to bureaucrats who are allegedly neutral economic experts. Mathieu/Sterdyniak (2010, 15) describe this shift of power as a process where “a technical issue (…) becomes a political one…”

On the political level the consequences of the FC are still difficult to assess. Nevertheless the content as well as the genesis of the FC allows some insights into the general trend of the respective European crisis policy.

First, the FC should be implemented at constitutional level (of “binding force”), which indicates that changing political majorities should not have the ability to change the treaty in the future. On the one hand debt brakes should “calm” the financial markets, while on the other hand this ambition can be interpreted as an effort to establish neoliberal austerity policy in the framework of a new European economic governance. (cf. Fabbrini 2013)

Secondly, the implementation process of the FC shows a continuing shift of power away from national parliaments and the European Parliament to the European Council and the European Commission, i.e. institutions with much lower or even no democratic legitimacy. The European Parliament was hardly involved in the debate during the implementation of the FC and members of the European Parliament only had observer status in the working group formulating the content of the FC in the first rounds of negotiation. Thus, the Treaty can be seen as transfer of power from the legislative assembly to the executive authority (cf. Oberndorfer 2012) and to the judiciary, respectively. Whereas the former transfer of power supports the post-democracy thesis of Crouch (2004; 2011), the latter transfer of power particularly manifests in the provisions for the automatic correction mechanism. (cf. Fabbrini 2013) The European Commission now has the possibility to bring an action against a particular EU Member state before the European Court of Justice in case of non-compliance with the budgetary obligations of the FC. In contrast to the provisions of the Maastricht Treaty the FC operates with a reverse qualified majority voting. Hence, an action against a Member state can only be prevented by a qualified majority.

Fourthly, the FC contains no legal procedure for a signatory state’s withdrawal from the treaty. As the FC is not part of EU law by virtue of the provisions of the Vienna Convention on the Law of Treaties all signatory states would have to agree on a modification of the FC. This complicated procedure paves the way for Angela Merkel to promote the “eternal character” of the FC.

3 Methodological framework

The basic analytical approach employed in this paper is based on the theoretical and methodological framework of critical discourse analysis (CDA) (cf. Fairclough/ Wodak 1997; cf. Wodak/Meyer 2009). CDA is a sociolinguistic approach, focusing on the use of language in combination with social and cultural hegemonic processes. This means that CDA deconstructs the formation of social power in discourses and analyses the interactions between discourses and the social world. Hence, discourses are understood as a complex of statements and discursive practices which generate hierarchical systems of knowledge and form social reality (cf. Wodak 2013). In particular I used a corpus-based CDA-approach as suggested by Baker (2006) and Mulderrig (2011). The analysis of metaphorical content of basic patterns of arguments in the public discourse on the FC furthermore builds on the conceptual metaphor theory (CMT) developed by Lakoff/Johnson (1980; 1999)[6]. According to CMT metaphors reflect the way people think and speak. Hence CMT interprets language not as a rhetorical element but stresses the impact of a specific use of language and metaphors in the process of how realities are constructed.

The analysis of the public media discourse on the FC as an example of the new architecture of European economic governance offers a possibility to examine the predominant patterns of argument brought forward in defense of and in opposition to the FC, respectively. I focus on the discourse in opinion leading Austrian media because media discourses reflect the political struggle for discursive power in the debate on crisis policies (cf. Pilkington/Sinapi 2014; cf. Heinrich/Jessop 2014).

The analysis in this chapter is based on a corpus of newspaper articles of the three central Austrian supranational quality newspapers. The 800 articles – about1,200 pages of text – were retrieved from the media archives on the basis that they contained the catch-phrase “Fiskalpakt” (the German equivalent to “Fiscal Compact”).

The text corpus was then reduced to discourse fragments comprising statements or indirect quotes about the causes or the consequences of the FC in order to focus the analysis the process of problem construction and solution. The result is a list of discourse fragments, which were used to illustrate the course of the discourse on the FC in Austrian media. Furthermore the discourse fragments were assigned to a thematic classification system of patterns or argument in favor as well as against the FC. Furthermore the discourse fragments served as the basis for the detailed analysis of language and metaphors used in the debate, in order to highlight how relevant actors think about the FC and its main implications.

6 For a critical overview of CMT see also Köveces 2008.

4 The Austrian media discourse on the Fiscal Compact

The chronological starting point of the debate on the FC was December 9, 2011 at the Summit of Heads of State and/or Governments of the EU Member States (except Great Britain) in Brussels. After three negotiation rounds the final version of the treaty was presented at an informal Summit of Heads of State and/or Governments on January 30, 2012. On March 2, the FC was signed by 25 EU Member states. Only the UKI and the Czech Republic refused their approval. The FC entered into force after at least 12 out of 17 Eurozone states ratified the Treaty by January 1, 2013. The ambitious goal of the Treaty was that the implementation should have provisions of "binding force and permanent character, preferably constitutional" (FC, Art. 3, 2). The critical discourse analysis in this chapter focuses on the time span between December 2011 and July 2012 in order to cover the beginning of the debate on the FC at European level and the ratification of the Treaty in the Austrian parliament, respectively. In contrast to Germany, where the FC was ratified with a constitutional majority (two thirds), in Austria only a simple majority of the parliamentarians voted for the FC. Nevertheless, again in contrast to Germany and France, the Austrian social democrats (then in a grand coalition with the Austrian Conservative Party) mainly supported the FC, whereas the Greens and the two right-wing parties BZÖ and FPÖ were against the FC.

4.1 Quantitative and qualitative analysis of public discourse about the Fiscal Compact in leading Austrian newspapers

First, a simple quantitative analysis of the discourse on the FC (figure 1) gives a first overview of the intensity and the course of the debate and is therefore an indicator for the structure of discourse on the implementation of the FC in the Austrian context.

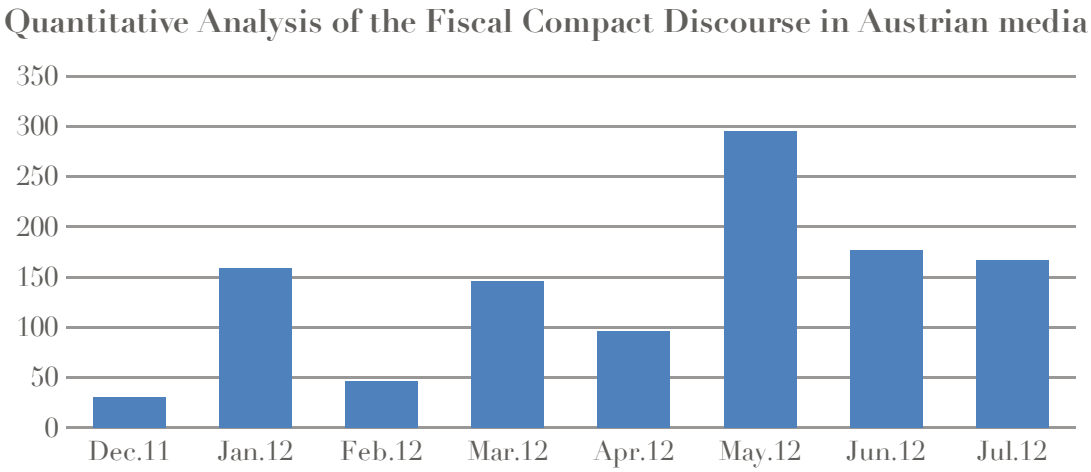


Figure 1: Hits for "Fiscal Compact" in the Austrian newspapers *Salzburger Nachrichten*, *Presse* and *Standard* from December 9, 2011 to July 31, 2012

The first peak of the discourse was prior to the Summit of the European Council in January 31, 2012 and then in March 2012 after the signature of the Treaty on

March 2, 2012. The highest number of hits for the term “Fiscal Compact” was in May, 2012. This can be explained mainly by the French election campaign where François Hollande, the socialist challenger of president Sarkozy, urged for a re-negotiation of the FC which in turn also had a strong impact on the debates of social democratic parties in Austria and Germany. Additionally there was a debate about the Irish referendum about the FC on June 1. In June and July the main reference point for the Austrian FC debate was the ratification process in the Austrian and German parliaments in July and the debate on the constitutional conformity of the FC culminating in complaints of unconstitutionality in Austria and Germany.

Second, I analyzed the dominant lines of discourse and dominant discursive patterns in the media discourse in order to highlight the different perceptions of the FC and its consequences. Table 1 combines the dominant discourses and arguments with implementation process of the FC on a political level.

The analysis of the FC debates in Austrian media from December to February reveals two dominant countervailing patterns of discourse. First, the FC is interpreted as a step towards a “necessary” European harmonization. This goal rests on an ambivalent concept of “European solidarity”. Particularly the German minister of finance, Wolfgang Schäuble, stresses that “solidarity goes hand in hand with solidity” (Schäuble 2011). Hence, and as an immediate reaction to the “debt crisis” in the EU periphery, the EU member states, it is argued, have to “submit their budgetary policy to stricter rules” (Salzburger Nachrichten 2012). Second, there is an ongoing claim for harsh sanctions and punishments to calm the financial markets: “The markets want to see action.” (Schäuble 2011) In such a logic, where political decision-making is often subordinated to the requirements of the financial markets it is straightforward to interpret incompatibilities of the FC with national constitutions as “difficulties”, one has “to handle” says Austrian Chancellor Faymann (2012). Summing up, in the initial (and politically decisive) phase of the discourse on the FC there is hardly any criticism about the FC in public discourse.

The Summit of the EU Council in late January 2012 initiated a political debate on a potential shift of power to the EU and the threat of a centralization of economic policy. At the same time the announcement of the social democrat François Hollande to renegotiate the FC as French president in the election campaign also fed into the Austrian discourse. The Austrian minister of finance, Maria Fekter, warned that any re-negotiations could send “fatal signals” to the financial markets and thus would intensify the European economic crisis. Moreover the French election campaign had a strong impact on the Austrian and also the German discourse on the FC, because the social democrats were forced to discuss the disadvantages of the treaty and a few prominent Austrian social democrats criticized the FC heavily at least in public. Nevertheless in the party executive

committee and in the parliamentary vote, respectively, only one social democrat opposed the FC[7].

Table 1: Course of the discourse about the implementation of the Fiscal Compact

Year-month	Political events connected to the Fiscal Compact	Dominant patterns of discourse
2011-12	• EU Summit decision	• Stability of the economy due to "budgetary rules of the game" • Solidarity and European harmonization
2012-01	• Negotiation rounds and Summit of the ministers of finance • UK refuses to sign the Fiscal Compact (FC)	• FC as immediate reaction to the "debt crisis" • Calming of the financial markets ("predictable politics") • Harsh sanctions and debt brakes • Threat to the budgetary authority of the parliament
2012-02	• Czech Republic refuses to sign the FC	• Fear of French elections • Transfer of power to the EU Commission • Sanctions are much too weak
2012-03	• No constitutional majority for the FC in Austrian parliament • Signing of FC on March 2	• FC as an "important signal" and milestone for financial markets • Constitutional conformity of the FC?
2012-04	• Irish referendum on the FC to be held on June 1 • Open letter of ATTAC against "Loss of democracy and falling social standards." • Leading Austrian Social Democrats against FC.	• FC as step into "political union" • Referendums and elections as elements of uncertainty • FC is "not politically negotiable" but additional growth initiatives • Criticism on central power of EU and Germany
2012-05	• Hollande wins French presidential election • Merkel-Hollande: Agreement on an additionally "growth pact" • Special EU-Council Summit for growth	• Social democrats want to postpone Austria decision • TINA: no money from the ESM without FC • Resistance of the Social Democrats and Greens in Germany against the FC
2012-06	• Irish vote for FC • German opposition claims financial market tax as a counter-move to a ratification of the FC	• "time of running up debts is over" • Threats of complaints of unconstitutionality in Austria/Germany • Opposition to the FC is a minority position in Austrian SD • Criticism of the exclusion of the European Parliament
2012-07	• Ratification of the FC and complaints of unconstitutionality in Austria and Germany	• Economic criticism (structural deficit) • Solid and predictable policy • Harsh punishment for "budgetary sinners" • German "Saving dictate"

A similar threat to the FC is seen in the Irish decision to hold a referendum on the ratification of the treaty. Although the FC could also have come into force without the ratification of Ireland (the ratification of 12 out of 17 Euro-member states is enough), the rejection of the FC in a public vote would have had an enormous impact on the political debate in the European Union. The discourse on the Irish referendum thus often reflected the logic of economic practical constraints. One the one hand the European Commission put strong economic pressure on Ireland, because potential subsidies from the ESM were linked to the ratification of the FC and on the other hand the Irish were warned that their "international reputation would fall to a Greek level" (Die Presse 2012b) in case the FC should be rejected.

7 In contrast to Germany, the Social Democrats were in coalition with the Christian Democrats and part of the government during that time.

From June 2012 on the FC debate was almost completely reduced to the question, whether growth strategies should be included in the FC or be just a supplement to the FC. Hollande and Merkel, the two key actors in this debate at the European level agreed to leave the FC unchanged, but additionally induced a common strategy for growth, particularly to fight youth unemployment. The core disparity between the implementation of the FC and the agreement on growth is however that the former should have a binding character and be included in national constitutions, whereas the latter remained a declaration of intent without any binding character.

4.2 Dominant patterns of argument and discourse profiles

The analysis of dominant patterns of discourse in this section is now divided into arguments in favor of or against the FC in order to analyze the two countervailing discourses on the FC in more detail.

Arguments in favor of the FC are often moral ones and therefore special emphasis is put on "strict discipline", "harsh sanctions" and a moral responsibility to have balanced budgets. This "moral tale" (Fourcade 2013) can be found in the whole discourse on austerity programs in the European crisis policy and culminates in the phrase "We have lived beyond our means." The rejection of the FC in contrast is then framed as immoral or irresponsible behavior, often with reference to metaphors supporting a dichotomy between "good" and "bad" economic policies. In this context the president of the Austrian economic research institute IHS, Keuschnigg (2012) declares that only "fiscal discipline" avoids that "the burden of excessive sovereign debt is rolled on future generations" and "debt states" are denoted as "budgetary sinners". In a similar vein Matthijs (2016, 376) analyzed the role of Germany in European crisis policies and also found a strong narrative of "Northern Saints" and "Southern Sinners" based on moral arguments.

The first important pattern of discourse of supporters is that the FC should serve as a safeguard against "recurring errors of debt making" or the "antiquated recipes of the past" (Fekter). This position, which had the strongest impact on the FC discourse can be interpreted as a fundamental rejection of Keynesian demand-oriented economic policy, which had a short revival during the crisis policy in from of stimulus packages in 2008 and 2009[8].

The second argumentation in favor of the FC mainly in the initial phase of the discourse is on a prospective European political union and therefore claims the need for European solidarity. Hence, the FC is framed as one central milestone in the process of a closer European integration and partly even as expression of European solidarity. Nevertheless this is always a solidarity with reservations, because "solidarity goes hand in hand with solidity" as Schäuble stressed.

Third, the FC is framed as an immediate reaction to the sovereign debt crisis. This pattern of discourse is based on the neoliberal argument that political decision has

8 Krugman called this the short "Keynesian Moment" of global economic policy.

to follow economic necessities, which was prominently stressed in Merkel's idea of a "market-conform democracy" (Pühringer 2015b). As a consequence it is argued that "there is no alternative" – a phrase coined by Margaret Thatcher – to the implementation of the FC. This subordination of political decision-making to seemingly economic necessities can be shown in the Irish debate on the referendum, but also more generally in the threat to prospective heavily-indebted states. Austrian minister of finance Fekter (2012) in this context warns that "the freedom to determine one's own budget will be reserved to those who play by the rules of the game".

Fourth and building on the third pattern of discourse, the supporters of the FC stress its importance to calm the financial markets. This argument similarly serves as a threat towards particular "debt states" but also against re-negotiations of the treaty in general. Veit Sorger, then president of the influential Federation of Austrian Industrialists (IV) in this context speaks of "fatal signals" for the markets (2012) and the member of the ECB directory and close confidant of Merkel, Jörg Asmussen (2012) urgently warns against a "substantial weakening" of the treaty. The delegation of responsibility for political decision-making to a seemingly neutral category as "the Market" thus reflects a perception of the market as a superior moral authority (Ötsch 2014) and/or with a "disciplinary function". (Rommerskirchen 2015)

Whereas it can be shown that the debate on the FC in Austrian media was dominated by a discourse supporting the FC and austerity policies based on the treaty, there has also been a countervailing discourse of criticism against the FC, which is presented in the following part of this section.

First and foremost and particularly after the successful election campaign of Hollande, several actors ranging from the trade unions and NGOs to members of the Green party and parts of the social democratic party stressed the need for a "growth package" to overcome the threat of economic recession. Nevertheless economic criticism remains rather superficial and is mainly driven by the debate between Hollande and Merkel on growth initiatives. Detailed criticism of the fundamental shift of power to the European Commission as a result of the provision for the structural deficit in contrast is hardly present in the discourse or is limited to comments by the Keynesian economist Stephan Schulmeister and in an open letter of ATTAC.

Second, discourse on the transfer of power to the EU is shaped by nationalist prejudices against the EU in general and thus mainly put forward by members of the two right-wing populist or national-conservative parties in Austria (FPÖ and BZÖ). The special role of Germany in the debate about the FC leads to a discursive equation of austerity policies and "German dominance". Hence, Merkel is labeled "Europe's mother of saving" (Die Presse 2012a).

The third core argument against the FC is on the potential unconstitutionality of the FC, which is present in the debate on the ratification of the FC in the Austrian

parliament in June and July 2012. The critique is focused on the limitation of the budgetary sovereignty of the Austrian parliament as a result of the ratification of the FC. Despite their great ideological discrepancies, all three opposition parties agreed on a complaint of unconstitutionality of the FC, which however was rejected by the Austrian Constitutional Court.

The fourth pattern of discourse which was present in Austrian media was the framing of the FC as a loss of democracy, especially due to the automatic sanction mechanism and the threat that the political discourse is continuously replaced by bureaucratic and legal procedures. This discourse was indeed mainly brought forward by NGOs like ATTAC and had no severe impact on the course of public discourse on the FC.

5 Conclusion

To sum up, the analysis of public discourse on the FC in Austrian leading newspapers showed that many of the potential consequences of the treaty were not discussed and criticism therefore remained on a rather superficial level. Particularly the policy implications and legal consequences hardly entered the debate whether from the supporters of from the critics of the FC. The French election campaign played an important role, particularly for the social democratic parties in Germany and Austria. Claims for growth strategies and re-negotiations of the FC initiated a debate about the prospective economic consequences of one-sided austerity measures. Nevertheless the analysis also showed that the FC was often justified as an immediate reaction to the debt crisis in order to calm the financial markets and hence austerity was often framed as positive or at least as the only possibility to prevent “economic irresponsible behavior” in periphery countries. The claim for a predictable policy with reference to seemingly economic necessities was hardly opposed by fundamental critique. This discursive imbalance induced a moral and in many cases derogatory discourse on “budgetary sinners” and “debt states”. In such a moral framing, austerity policies were discussed as necessary measures to punish and sanction immoral behavior of “heavily-indebted states”. The moralization of debt however also reflects the influential narrative of the “crisis countries” having “lived beyond their means”.

The dominant discourse on the FC focused on the necessity of “harsh sanctions” and punishment in case of non-compliance with the “strict rules” of the FC. The superficiality of the debate about the FC and the blatant ignorance of central political practitioners in the discourse indicate that the implementation of the FC can be interpreted as a perfect example for a post-democratic process, where the political power has moved away from democratic legitimate representatives to expert groups or the bureaucracy. In fact the whole initial debate on debt brakes and automatic sanction mechanisms was held behind closed doors (Oberndorfer 2012). The course of the debate on the FC as well as its core claim for austerity supports the idea that the FC can be understood as the provisional culmination

point of neoliberal European policies. Although the FC in many parts is still the consequence of a process initiated with the Maastricht Treaty, the FC due to its reversed majority voting and its constitutional status goes even one step further.

The FC today provides a very strong legal and political framework for austerity measures which can be used for direct attacks against European welfare states. In this context it is quite enlightening that German chancellor Angela Merkel yet in the initial phase of the implementation of the FC pointed out its intended "eternal character": "The debt brakes will be binding and valid forever (…) Never will you be able to change them through a parliamentary majority" (Merkel 2012). After the successful implementation of the FC this "eternal character" hinders opposition to neoliberal austerity policies in Europe to a great extent.

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