The Democratic Rhetoric of the Austerity Measures

The main purpose of this paper is to make an analysis of the policy-legitimating discourses of the political-economic executive in Portugal considering the social and economic crisis the country is going through, and how this democratic legitimation is linked to democratic theory. The first parts of this article, is going to sketch the context of today’s rhetoric and a framework to analyse the discourse. The second is an empirical study in which we will try to show the application of this framework, discussing 4 cases; the TINA discourse, an interview with a high representative of the Troika, the media discussions about the “grandoladas” and the discussion about the case of the budgetary reproval by the constitutional court.

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The Crisis and the Capitalist Context of Democratic Rhetoric

Democracy evolved together with capitalism. The accumulation process, which forms the main engine for social interaction under the capitalist logic, reproduces unequal exchanges and inequalities. Unequal exchanges however cannot operate outside or beyond their political context; they tend to provoke opposition, which creates the need for capitalism to legitimize itself as a system organizing social relations.

Legitimacy is the notion of “the right to govern” (Bodansky 1999) It always rests on the shared acceptance of rules and rule by affected communities and on justificatory norms recognized by the relevant community. As such, it is founded in a collective audience’s shared belief, that ‘the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions.’ (Bernstein 2004) It is part of an ideological construction, that “the existing political organization is the most appropriate” and makes existing power-relations acceptable. (Lipset 1959)

Since the ascendance of capitalism, democracy has been one of the central pillars in the legitimation of the social system, both institutionally and as a discourse. Within the modern Portuguese society, democracy has a special place, both institutionally and ideologically. The overthrow of the authoritarian Salazarist regime by the carnation revolution in 1974, and the subsequent political crisis-period (PREC – Processo revolucionario em curso: Revolutionary process in the making), marked by violent political confrontations, collectivization’s and changing power relations has only been surpassed through the slow reconstitution of the state a new democratic regime after 1976. This democratic regime, initially based on a trans-class character and legal order, (Santos, 1992, p36) contrasted with the previous regime of authoritarianism, as well as the revolutionary PREC. The revolutionary period coincided with

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2 For a more extensive sum up of definitions of legitimacy, consult Bodansky (Bodansky 1999, p.601), footnote 29
an unusually strong position of the working class, and this balance of interclass power of the revolutionary crisis has been transferred into the state. It integrated parts of the old regime, the economic and the left, as it also respected the nationalization, the agriculture reforms, as well as the existence of the Portuguese Communist party and the parties on its left, as being part of a new legal democratic order. This democratic order is the basis of a new social and political hegemony in Portuguese society. (Santos, p36, 37). Although the political elite always found it difficult to achieve such a hegemony, particularly because the Portuguese bourgeoisie never aspired this hegemonic role; adapting to its peripheral status and dependence on foreign capital, while the democratic legitimacy remained intact (Santos 253-257) as a master signifier.

Here the application of Zizek of the Lacanian Master-signifier is helpful. A mastersignifier is an object that gives meaning, but whose ideological meaning is determined by the social struggle and power relations.

The relation between capitalism and democracy however, is not straightforward, but one of antagonisms; as democracy itself is the product of continuous struggles within the capitalist system. As Vivek Chibber (2013) portrays, Western liberal democracy is a product of anti-liberal opposition. This relation of contradiction is inherently a conflict of distribution of value. (Santos 2013 Visao 30/5) The need for legitimation needs the use of value that cannot therefore be accumulated and reinvested for accumulation, and therefore restricts the possibilities for accumulation.3 (Paterson 2010, p.349) These contradictions provoke the tension between accumulation and legitimation central to the reproduction of capitalist societies (Paterson 2010).

Regarding these contradictions, we will analyze two tendencies of legitimation. One is the depolitization of the inequalities, the sphere of the economy and therefore limiting the sphere where political and substantive democratic legitimation is needed. This is the tendency to establish and strengthen private spheres, which are not subject to democratic decisions: such as the (free) depoliticized markets (Habermas) which is restricts the public sphere as much as possible. When this tendency is reproduced in discourse will call this the (neo)liberal aspect of the discourse. On the other hand the tendency to legitimize public policies within the public sphere as much as possible on the base of democratic procedures, in limit the democratic substance as much as possible. This second tendency is institutionalized by a tendency towards a minimalist, formal Schumpeterian-based model for democracy. We will call this the formalist aspect of the discourse.

Within the neoliberal era, an era of defeat of the power of organized labour worldwide and a balance of power strongly in favor of capital, these tendencies have strengthened. Democracy as signifier has had the tendency to acquire a neoliberal meaning. Under the Washinton Consensus, substantive legitimation of the system (Paterson 2010) , would partly be provided by higher growth rates entailed by globalization and market liberalization - according to the legitimizing neoliberal ideology: - “while politics shrinks, the economy grows” (Bello 2006, p.16). The people of the world were offered a piece of capitalism, as everyone was encouraged

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3 Paterson claims that some sorts of legitimation have the capacity to temporarily transcend this tendency. An example are carbon-markets under neoliberalism (Patterson 2010)
to become rentier, and while the rates of exploitation had risen and social benefits were cut down, they could grab a chunk of the profits created by it. (Graeber 2011, p.376)

The neoliberal discourse has been the dominant legitimizing economic discourse in recent decades. Neoliberalism is the political en ideological doctrine developed by the political and economic elites to overcome the crisis of the 1970’s (Mylonas 2012 p 648) It “is a discourse which is backed by the strength of all the economic and social forces (the banks, the multinational companies, politicians, and so on) who are trying to make flexibility — the new global capitalism — even more of a reality than it already is. Neoliberal discourse contributes its own particular, symbolic, form of strength to the strength of these social forces.” (fairclough p72) So, although it has become hegemonic today, in so far that it is considered as an appeal to common sense, (Blommaert) “discourses are partial and positioned, and social difference is manifest in the diversity of discourses within particular social practices. Neoliberal economic discourse, for instance, is only one of many economic discourses and, as I have indicated earlier, it corresponds to a specific perspective and set of interests.”(fairclough, p77)

The neoliberal discourse includes the prescription of deregulation of economic activity, privatizations, reductions of social and public spending, reductions of taxation aggressive competition and flexible labour conditions. It is a reaction against the Keynesian welfare state economics and find its theoretical base in the Chicago School of political economy, such as von Hayek, Friedman, et al. (Brown 2003) In popular usage, neo-liberalism is equated with a radically free market: maximized competition and free trade achieved through economic deregulation, elimination of tariffs, and a range of monetary and social policies favorable to business, linked to the vicissitudes of globalization or to International Monetary Fund and World Bank policies .(W. Brown 2003)

People opposing neoliberalism claim the neoliberal framework of ideas and discourses is “indifferent toward poverty, social deracination, cultural decimation, long term resource depletion and environmental destruction” and that its economic policies sustain or deepen local poverty and the subordination of peripheral to core nations, but also because it is compatible with, and sometimes even productive of, authoritarian, despotic, paramilitaristic, and/or corrupt state forms and agents within civil society.”

Several authors have therefore developed the idea of a process of depolitization which would be central to the neoliberal rethoric (Zizek, Mouffe, Habermas) “It is part of a widely observed narrowing down of the political spectrum — parties are becoming increasingly similar in their policies, and the differences between them are increasingly differences of style. ... the predominance of a single economic-political discourse across the political spectrum. (fairclough 78)”

Whereas it could be expected that the logic of enterprise rhetoric would be under strain in the aftermath of the financial crisis. (p4 O’ROURKE and Hogan,2012) The market driven neoliberal discourse did not weaken. O’Rourke and Hogan’s (2012?) case study of enterprise-driven discourses during the financial crisis in Ireland, for example, reached this conclusion analysing interviews with the Irish minister of Finances, who consistently built his discourse on the separation of the market issues and political issues, strengthening the depoliticized through the crisis situation.
Mylonas and Zizek point towards depoliticizing discourse on the nature of the crisis for example. (Zizek apud Mylonas 2010) One of the first elements of this is the characterization of the Eurozone crisis as a debt-crisis, (Mylonas 2012) a crisis of bad public governance; whereas the capitalist crisis, the role of the financial markets, the role of the monetary choices and inequalities is fundamentally ignored. (O’Rourke and Hogan) It transfers the structural responsibility of capitalism for the socio-economic failures towards the state, “overconsuming” citizens and government. In O’Rourke and Hogan’s study everyday spending on state services is framed as something political, whereas guaranteeing lending to Irish banks seems to be a reality imposed by the markets. People advocating alternatives, “have no realistic proposals” (O’Rourke and Hogan p15)

One of the aspects of this depoliticizing discourse is the culturalization of Politics. Brown(2008) and Mandani define “culturalisation of politics as a discouerse process that reduces every culture to “a tangible essence that defines it and explains politics as a consequence of that essence”. (Mamdani 2005, p.17) This process “analytically vanquishes political economy, states, history, and international and transnational relations. It eliminates colonialism, capital, caste or class stratification, and external political domination from accounts of political conflict or instability.” (Brown 2008, p.20) At the same time that it divests liberal democratic institutions of any association with culture, (Brown 2008) ignoring liberalism is culture; the culture of the dominant classes in the core of the world system. The presented solution for the wrong political-economic “culture” that led to the exceptional state, is literally to “liberalize” it, through privatization, individualization, transparency and political reform. It is within this context one should think of concepts as “a new political culture”, a new work-ethic, flexibilization of labour, anti-corruption, making the state more efficient, etc… These “cultural” explanations - which originated in north-European prejudices and are compatible with neoliberal discourse - include attributing the exceptional state of the southern economies to the idea that they would have lived “above their standards”. (Mylonas 2012) This in turn is attributed to cultural prejudices as laziness, non-productivity, wasteful spending and lying, forming a “Mediterranean mix of indiscipline, extravagance and outright corruption” (Bohle 2010).

The recent financial crisis and the consequent social conflicts in the Eurozone have strengthened these discursive tendencies in the peripheral countries of the Euro-zone. The rhetoric of austerity accompanies the structural adjustment reforms. These are particularly influenced by northern, traditionally protestant; countries of the Eurozone; Germany and the Netherlands, which according to Max Weber originated the ethics of capitalism. This rhetoric was primarily used to strengthen the arguments to legitimize the imposed cuts in order to save their own banks and save the common currency. This “help” was portrayed and broadly perceived as a transfer from Core working class taxpayers to Peripheral corrupt states and their “lazy, lying” populations, although it was a transfer from mainly core working class taxpayers, in the form of state warrants, to mainly core banks.

The policies of the memorandum of the Troika include a reduction of the state and its budget, a reduction of voters sovereignty through foreign and European control on policies, privatization of important public services... which all reduce the sphere of influence of the public. At the same time the external supervision by the Troika, the stricter control by the
European Comission on the national budgets, and the rising dependence of the ECB for financing, has led to decreasing of the room for political maneuver of the national political actors. The implementation of the so-called six-pack gives a veto-right on the national budget to the European commission, even before the national parliaments can vote them. The consequence is that the democratic institutions themselves are totally de-substanciated.

Given the importance of democracy as symbolic institution and as a legitimizing discourse and practice; in particular also in the Portuguese situation; the elites have developed a rhetoric and institutionalisation restricts the potential substantive influence of the public without taking the subjects out of the public sphere. This tendency is embodied by a tendency to limit democracy and discourse about democracy to formalist procedures. Meaning that people get a “regular chance to vote but not to choose.” (Przeworski 1991, p.187)

The theoretical background of this formalist rhetoric is based on Schumpeter minimalist theory of democracy. In an attempt to constitute a an “aplicable model of democracy” Schumpeter reduces democracy to a method of electoral competition, instead of an end in itself. Democracy becomes just a method to legitimate policy, by competition for votes between different political players. The role of the people is to “produce a government”, acceptance of leadership as the true function of vote. This leaves room for the vital role of leadership and theoretically would enable group-wise volitions to be formed and represented by leaders competing for votes, for whom the votes are an electoral incentive for good governance. (Schumpeter 1976) In a defense of this approach, Przeworski defines democracy as “a system in which parties lose elections”(Przeworski 1991, p.10). The minimalist approach presupposes regime and policy change and conflict between interests without violence and bloodshed, because the mere prospect that government may change can result in peaceful regulations of conflicts. Moreover, voting authorizes coercion; it constitutes “flexing muscles”, as the majority represents a power relation and coincides with the physical force of the citizens. The electoral process generates the information of this power relation. (Przeworski 1999, p.39)

This formal legitimation means that the government legitimizes its policies purely on the base that it has been democratically elected and is supported by a parliamentary majority, that it has the powers of the executive untill the end of the legislature, and resistance against it policies therefore doesn’t respect democracy. It limits democracy to voting procedures, rule of law, freedom of expression, etc...

There is not necessarily a clear distinction between both tendencies and they act together. Even though the government legitimizes itself on the base of its election results, it still legitimizes its policies on the basis that there is no alternative. Together this lead to a discourse that could be called low-intensity democracy (Santos).

**Aplication on the Portuguese Crisis**

Through the next section we will try to observe the elements of these dominant democratic discourses of austerity in 4 discursive cases. First we will give some examples of the dominant theme of TINA within the legitimizing discourse. Afterwards we will analyse the arguments made by the “victims” of the grandoladas protests. Third we will draw the rhetoric of the Prime minister about the decision of the constitutional court about the budget. And fourth I will highlight some passages from an interview I had with a representative from the Troika.
I General discourse of “There is no Alternative”

Since the beginning of the crisis, one of the strongest tendencies to legitimize the austerity measures, was to say that “There was no Alternative”. Reproducing the famous Thatcherite rhetoric, the executive used the discourse about financial markets, European procedures and economic “laws” to any discredit all other political options.

On 14 oktober 2011 the ex-president of the PSD, Marcelo Rebelo Sousa affirms that “In the situation we have gotten in, there is no alternative to control the deficit and the public debt” (Expresso, 2011). One month later the minister of parliamentary affairs says to understand the frustration of the Portuguese people, but defended that “there is no alternative” to the path the government is following. Relvas states that “during the last years we have spent what we had and what we had not, we let unemployment boom, we let public debt increase and the measures that are being taken, are reformist and have the objective to correct the path that has been followed over the last years”. (TSF, 24 nov 2011) He repeats this the next month when he is questioned about the installation of new tollways: “the Portuguese have to understand that the government has no alternatives to the introduction of tollways, as it is forced to “pay the debts others have assumed”. Relvas recognizes that these are “difficult times” but “there is no alternative”. (DN, 14 dec 2011)

The same rhetoric is repeated by the president of the European Commission, when on 13 of March 2012, expressed his confidence in the “wisdom” and the “good sense” of the Portuguese. “The people can disagree on this or that measure, but in the end, they know there is no alternative to the path of budgetary consolidation and structural reforms. The enormous majority of the people know this”, said Barroso to the Portuguese journalists in Strasbourg, in the margin of the plenary session of the European parliament. (DN, 13 mar 2012)

The same message is given to the social partners; as for example in a meeting between the prime minister and the social partners, in the scope of the European council, which had been “marked with worries of the employers and the trade-unions regarding the next state budget for 2013. At the exit, Passos and the rest of the members of the government avoided the journalists, but some social partners explained that the executive reinforced that there is no other path than that of austerity.” (TSF, 12 oct 2012)

This rhetoric is reinforced by economists supporting the government’s policies:: “But is there any alternative to austerity?” This is how Teodora Cardoso, president of the Council of Public finances, answer starts her answer to an interpelation of PS member of parliament Joao galamba. For the president, there is no other path to be followed, warning that any “alternative to austerity implies more financing, and more financing means more debt.” (Noticias ao minuto, 8 nov 2012, DN 8 nov 2012) For Teodora Cardoso, there is no-one conceding this financing, “these possibilities have been used up, wheter on the side of the markets, wheter on the side of official financing”, she said, any kind of increase of debt “means aggravating the problems of the economy” (Noticias ao minuto, 8 nov 2012) In Jornal De Negocios, economist Vitor Bento stressed that “there is no alternative to austerity”, as in Portugal, “since 1995 we have been increasing the gap between internal spending and the income we got, which means that the difference only can be sustained if there is someone financing that difference, with external money.”(Jornal Negocios, 13 feb 2013)
II Reactions to the Grandoladas

The grandoladas have been a new form of protest. Grandolar was the new word, a verb, invented to designate the anti-austerity protest-activity of singing “Grandola” during political speeches of representatives of the executive. Grandola is a song by José (Zeca) Afonso, an iconic Portuguese singer known for his protest songs and firmly linked to the Carnation revolution. Particularly his “Grandola, Vila Morena”, has a very strong symbolic meaning linked with democracy, freedom and equality, as it was one of the two heroic songs used to announce the military coup which started the revolution. Grandola is the song about a small town in the Alentejo region, the poor, hot and dry region south of Lisbon. It’s inequalities, fruit of the economic relations based on big land-ownership, latifundios, have historically strengthened social struggles and the political left in the Area. Since 1974 “Grandola” transformed itself in a kind of hymn of liberation and is traditionally sung at commemorations of the Portuguese Revolution. Today protestors have begun to use this song as a manner of protest. Since the 15th of February, and in particular at the initiative of the QSLT-movement (Que se Lixe a Troika) in the week before the 2nd of March demonstration, protestors managed to disturb at least a dozen times the speeches of members of Portuguese government by singing Grandola. It’s symbolic meaning concerning democracy provides it an enigmatic case to analyze the discursive reaction by the executive to these protest actions.

Although on several occasions the ministers and state secretaries did not react publicly in the media about the incidents, when there were reactions, they could be linked to a procedural view of democracy. This was done in two ways; on the one hand some just let pass the protest, said that it was part of the protestors freedom of speech, but that their policies would continue, as the executive had been legitimized by the elections. On the other hand, the protestors were attacked as not respecting the procedures of a democracy, and even of not respecting the freedom of speech of the executive (reference).

Then Minister of parliamentary affairs, Miguel Relvas, reacted to one of the grandoladas that “this government is only leaving in 2015 if the Portuguese would want it,” and “the results will talk for us at the end of the legislature”. As a reaction to one of the Grandoladas in the parliament, the president of the parliament, Assunção Esteves, for example claimed of the protestors that “you are not helping democracy”, while police agents dragged them out. At another occasion she stated to the singers that “one cannot dissolve democracy, if not, we would not be in a democratic order, we would be in a revolution”. At one of the protests against finance minister, Vitor Gaspar, Miguel Pinto Luz, leader of PSD-Lisbon declared: “This government does not govern based on opinion-polls. Let them govern”

Another part of the discourse is to relate the protests as irrational. Within the logic of “Tina”. When Christine Lagarde for example was confronted with a Grandolada in Amsterdam she said: “As I said before, what we want is stability, and that is what is missing to discuss these issues in a clear way.” At the same time, while the protesters were led out by the security, she urged to accelerate the structural reforms. This irrationality is afterwards, in a Habermasian way, linked with a basic imperatives of democracy. In a reaction to the grandoladas, Prime minister Pedro Passos Coelho for example affirmed that “the resistance against the seduction of terrible simplifications is a democratic imperative”. According to him “we should not accept that the sacrifices, the difficulties and the sentiments of the people in Portugal and in other
European countries would be kidnapped by irrational proposals that don’t think about the future and by promises that are never realistic alternatives with a beginning middle and end”, and “not only can anyone claim the monopoly of consternation towards the difficulties and the hardships of the people, also indignation is not enough to constitute a political answer to the crisis”.

There is also an interesting opposition between the self-portrayal of the executive speakers as victims, while at the same time using physical force, in the form of police, security, the moderators and the law and procedures against their opponents. Prime minister Coelho for example claimed that “in a discussion conducted through screams, it are always those with less voice that lose more, and less voice does not necessarily mean less reason”, suggesting himself as the one with less voice.

III Prime Minister vs Constitutional Court

The collision between the prime minister and the constitutional court was another interesting example of how the interpretation of the principles of democracy is restricted to the formal democratic procedures. And how even here policymakers have difficulty with the substantial elements of democracy in a time of economic crisis. On Friday the 5th of April 2013, the Constitutional Court ruled that several austerity measures in the 2013 budget violated the constitutional principles of proportionality and equality under law. Specifically, it concerned the abolition of the holiday-allowances of civil servants and pensioners, the introduction of income tax on sickness and unemployment benefits and the reduction of the employment status of researchers. Other austerity measures worth 4.4 billion have stood the test well, including the tax on pensions, the reduction of wages in the public sector and the increase in income. As a result the government has to find 1.3 billion euro elsewhere. The European Commission immediately responded that the judgment of the Court cancels all previous agreements. The next tranche of 2.1 billion “aid” from the Troika, who early last month was guaranteed by the Troika, is "on hold" placed. Portugal to end of April in addition to 1.3 billion in March agreed 2,000,000,000 additional savings presenteren. Tegelijk the delegations of the Troika sent back to Lisbon, less than a month since the previous mission.

While Europe and the IMF Portugal under strong pressure, it seems the Portuguese government continues its role as the "best pupil of Europe" to want to play. Although the Prime Minister declared the decision of the court to respect, "as it should be in a law," he however know the ruling inter alia expressed by "a lack of realism" in the court, that it "ignores the circumstances ", the ruling in the future, lead to the" questioning of key values in the Constitution ", and "serious consequences for the country ". However, he stated that Portugal made agreements with the Troika and would fulfill them completely. He added that after the judgment is no alternative than to further cut in the public sector.

IV The representative of the Troika

For this research I also had a personal interview with one of the high representatives of the Troika in Portugal. Various points of this interview should be highlighted. As could be expected, this representative of the Troika hid behind a very technical discourse. What struck me
immediately was the lack of knowledge of and personal relation with the political and social situation of the country. The technical background of these highly qualified officers of international institutions, allows such ignorance to be considered acceptable, as it translates the countries problems in what are considered objective economic statistics. This brings us to the following elements that consist his discourse on democracy.

He felt very uneasy with questions about democratic legitimacy of the measures; various times during the interview stating that he is not the person to answer to these questions, asking for more technical questions. He sees no problems for democracy in Portugal, “as the institutions are still in place; elections, freedom of speech, etc”, while this representant sees the demonstrations and grandoladas as an expression of the healthiness of democracy.

He sees no opposition between technocracy and democracy, “as long as a government is democratically elected.” He confirms technical targets are not checked for their democratic legitimacy or feasibility, “if you have no access to financial markets; you have no choice.” A self-censorship concerning the structural European causes of the crisis: silence admitting this acknowledgement.

**Conclusions**

In the beginning of these text we observed 2 tendencies of capitalist governance to restrict the public influence which could be observed in democratic discourse. These legitimizing, and therefore also discursive tendencies, are a limitation of the public sphere through a tendency of depolitization, culturalization, privatization and lack of alternatives on the one hand. On the other hand we see a limitation of democratic discourse by the executive to formalist procedures. These tendencies have been strengthened during the social conflict and the implementation of the austerity measures.

In the 4 enigmatic cases we discussed in this article we observed various elements from the theory. A first one is a clear element of depolitization; present in the TINA-discourse, the irrationalization of political alternatives, the technocracy of the IMF-official. Another one is the appeal to formal democratic procedures, formally respecting them in the case of the constitutional court, but at the same time trying to avoid any substantive influence, the defense of the ministers against the grandoladas.