An Obituary for Austerity Narratives?

An Experimental Analysis of Public Opinion Shifts and Class Dynamics during the Covid-19 Crisis

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Abstract

The Covid-19 pandemic is disrupting the international political economy context unlike any event since World War II. As a consequence, the French government has, at least momentarily, reversed decades of fiscal consolidation policies sedimented around austerity narratives by instating a costly emergency furlough scheme for a third of the workforce. This crisis provides a natural setting to investigate the relations among an emerging “critical juncture” in political economy, public preferences, and the salience of austerity narratives. We collected panel data and administered two experiments to test if citizens’ viewpoints are sensitive to the trade-off between health and economics, still receptive to austerity narratives, and conditioned by socioeconomic status in supporting them. We find public viewpoints were highly swayable between health and economic concerns at the first peak of the epidemic outbreak in April 2020, but they were not influenced by the austerity narratives during the phase-out of the lockdown in June, with the exception of the upper class. Overall, public support is shifting in favor of increased social spending, and austerity might no longer inhabit the majority’s “common sense.” We conclude with further implications for the study of class and conflict in a post-pandemic world.

Keywords: austerity narratives, class dynamics, constructivism, Covid-19, crisis, public opinion, welfare state

Résumé

Épitaphe pour les discours d’austérité? Une approche expérimentale des évolutions de l’opinion publique et des dynamiques de classe pendant la crise de la Covid-19


Mots clés: discours d’austérité, Covid19, opinion publique, dynamique de classe, constructivisme, crise sociale, État providence
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An Obituary for Austerity Narratives? An Experimental Analysis of Public Opinion Shifts and Class Dynamics during the Covid-19 Crisis

1 Introduction

As the Covid-19 epidemic outbreak exploded across the world and some countries began to witness locally overwhelming loads of patients arriving in hospitals, public attention turned to the potentially catastrophic strain on public healthcare systems. With an epidemiological disaster bearing down on France and threatening the lives of thousands, President Emmanuel Macron “declared war” on this “invisible enemy” on March 16, 2020 (Macron 2020). In this speech, he stated his government’s intent to battle the virus with all its available arsenal and for as long as necessary. What followed was an abrupt reversal of long-entrenched policy routes that have been anchored in a political economy of “permanent austerity” (Pierson 2001) and articulated in a push to consolidate public spending (Insee 2020a). The narrative of the pandemic was then one of an existential epidemiological threat, which French society could spare no expense combatting.

And yet as two weeks of strict lockdown turned into two months, no longer was this seen as just a public health crisis but also as a potentially scarring economic catastrophe, evidenced by the largest decreases in GDP since World War II in the first and second quarters of 2020.¹ Where was the money coming from to support millions of furloughed workers and thousands of temporarily closed businesses? Could the money continue to flow without causing long-lasting damage to the economy and the government as underscored by austerity narratives? Would all of it need to be paid back, and if so, when? The uncertainty that these questions raise has become even more salient in the months that have followed the advent of the epidemic outbreak. Even the IMF appears to have reversed its post-2008 global financial crisis role in the propagation of

¹ –5.9 percent and –13.8 percent respectively (Insee 2020b).
austerity narratives (Clift 2018) and now insists that wealthy countries should consider increasing public spending rather than tightening their belts in order to rescue their economies (IMF 2020; Giles 2020a).

In this context reminiscent of past “critical junctures” in political economy (Ferragina et al., forthcoming), we seek to understand if, and to what degree, public opinion regarding the suitability of austerity narratives and support of public services has realigned. We focus on public opinion because of its centrality in validating and guaranteeing the ongoing hegemony of a given political project such as fiscal consolidation (Hopf 2013). France is an interesting case because despite being characterized by a high level of social spending (OECD 2019), it underwent a neoliberal turn in 1983 (the so-called *tournant de la rigueur*) and has since been inclined to implement a neoliberal logic in public policy (Fourcade-Gourinchas and Babb 2002).

We collected panel data to analyze whether public opinion was more favorable to public spending in June 2020 compared to the pre-lockdown period, and if so, how spending flows should be directed. While these kinds of survey questions can give us an indication of shifts in public opinion, they do not capture the complexity of trade-offs that an emerging critical juncture in political economy might involve. For example, although a desire to increase spending in many domains may seem appealing, survey questions do not also ask respondents to consider the potential cost to public finances of large spending increases. Moreover, we know from contributions that have studied the outcomes of the 2008 global financial crisis (e.g., Blyth 2013; Carstensen 2013; Watson 2009) that opinions can be manipulated with convincing ideas (Stanley 2014). Hence, we complement survey questions with an experimental approach in order to test the manipulability of public opinion in the face of authoritative narratives concerning health, economics, and austerity.

As the pandemic has been publicly discussed as a double-edged crisis, we asked respondents approximately every two weeks from the beginning of April to the beginning of June 2020 to state whether they were more concerned about the economic or public health threat in order to understand how public preferences shifted between these aspects. We then administered a first experimental question at the peak of the first epidemic wave in mid-April to test how manipulable public opinion was in the face of a catastrophic economic forecast and bleak public health news. In light of this test, we posed a second experimental question after the end of the spring 2020 lockdown to test the salience of austerity narratives among the public.

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2 Our data have been gathered as a part of the Coping with Covid-19 (CoCo) research project at the Observatoire sociologique du changement of Sciences Po. Preliminary developments of the analyses in this paper may be found in Recchi et al. (2020 a, b).
Our results show that public opinion is strongly swayed by authoritative economic forecasts but is unmoved by austerity narratives. The majority of the population seems to reject austerity narratives in favor of increased public spending. These findings might also suggest that austerity narratives no longer inform people’s “common sense” – or more bluntly, as Giles (2020b) has hypothesized, the narratives of the “age of austerity” may be dead. We suggest that this is because the hegemony of the age of austerity requires public preference to be in its favor in order to continue being feasible. However, important differences in support for austerity exist across class lines: the wealthy manager who positions himself at the top of the social ladder might be depicted as the pro-austerity prototype, in contrast to the less materially and socially privileged majority of the French population that seems to take a decisive anti-austerity stance.

Our work contributes to international political economy literature by illustrating the relevance of constructivist approaches in interpreting the relation between changes inpublic policy and public opinion shifts. In particular, we provide a snapshot of the fading influence of austerity narratives and their capacity to support fiscal consolidation policies against the welfare state during an emerging critical juncture in political economy. Moreover, we provide new insights into the sociological literature measuring and discussing how class relates to the formation of public opinion in the specific case of austerity narratives and support for the welfare state. In this regard we show that the increasing polarization of wealth – studied in recent economic research (Alvaredo et al. 2018) – together with classic professional and subjective dimensions of class (Wright 1997) remain key variables in understanding ideological preferences and in identifying the fault lines of potential social conflicts around the preferred public policy strategies going forward.

The remainder of the paper is structured as follows: We first situate the public opinion shifts of the spring 2020 lockdown in France within the literature. Then, we detail the methodological approach we take to study these changes in public opinion. Finally, we discuss the specific and broader implications of our findings in relation to the critical juncture in political economy in which we may be living.

2 Contextualizing public opinion shifts in political economy

The sudden burden on the French state to implement costly emergency policies like the furlough scheme, which had paid upwards of thirteen million salaries at a cost of approximately 24 billion euros by early June 2020 (DARES 2020), led to stopgap welfare funding not seen since WWII. Although abrupt changes in policy routes are often characteristic of crises, new public policy strategies can gain long-term legitimacy (Seabrooke 2006) and momentum when the public’s common sense – what Gramsci
(1975) defined as *senso comune* in Italian,\(^3\) or the complex of beliefs and opinions shared by the majority of a population or a class about a subject matter – shifts decidedly in their favor. A public opinion realignment can, for example, contribute to narratives that allow for re-interpretations of the role of the welfare state (Hay 2016) to regain legitimacy and appeal.

In this respect, the Covid-19 epidemic outbreak might represent a pivotal moment in renewing long-term public support for the welfare state because it pits defense of public health against maintenance of the current functioning of the economic system. The lockdowns – put in place to avoid intensive care units becoming overwhelmed and the potential loss of thousands of lives – transpire in an economic context already weakened by the 2008 global financial crisis. After more than ten years of austerity, which had already generated widespread social tensions as evidenced by the *Gilets Jaunes* movement, this crisis could represent a new critical juncture in the political economy (on the definition of “critical juncture” see Capoccia and Kelemen 2007; Pierson 2004). In this landscape, the budget reductions imposed on public institutions as a result of austerity – such as hospital cuts (see Safon 2019) – may no longer be considered viable strategies going forward by the majority of the population.

We argue that the present historic moment resembles other periods in which a punctual event occurred in a political economy environment that was already primed for a structural crisis. For example, critical political economy literature indicates that the 1973 oil crisis occurred in a structural setting where the Fordist modes of production and social organization were already in crisis (Duménil and Lévy 2004; Ferragina et al. forthcoming). Similarly today, the Covid-19 epidemic outbreak may represent an event that is capable of decisively influencing public opinion to shift away from the acceptance of austerity narratives, as it comes at a moment of pre-existing political economy crisis. For this reason, we anchor our study in the literature on welfare state expansion and retrenchment, and we frame our empirical work through the lens of constructivist political economy literature on institutional dynamics developed after the 2008 crisis.

The engagement of high-income countries in welfare state policies reached a decisive turning point after WWII (Briggs 1961). A famous historical example is the issuance of the Beveridge plan and the successive expansion of the British welfare state, with the “iconic” creation of the National Health Service in 1948 (Timmins 2001). Meanwhile in France, the post-WWII period signaled the formalization of the social security regime via the *Ordonnance du 4 octobre 1945*. Other economic rebounds and moments of strong growth in the twentieth century have witnessed increased welfare state spending, notably in the 1960s, the middle of the French *Trente Glorieuses* (Hicks and Swank 1984). Although the mechanisms for welfare state expansion remain contested\(^4\) (for a

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\(^3\) On the distinction between the use of “common sense” in the English language and the Gramscian meaning, see Crehan (2011).

\(^4\) Welfare state expansion literature is rich and presents different explanations for the exceptional
review of the main explanation of welfare development during this period see Amenta 2003; Flora and Heidenheimer 1981; Iversen and Cusack 2000; Skocpol and Amenta 1986), the trend towards greater state involvement in individual economic assistance during turbulent times proved durable until the 1970s in most developed countries. From a political economy perspective, the post-WWII period and successive decades bore witness to the expansion of the welfare state underpinned by a Keynesian macro-economic approach. The subsequent period was characterized by the “Schumpeterian workfare state” (see Jessop 1993) under the deep influence of neoliberalism (Harvey 2005; Saad-Filho and Johnston 2005). During this period, high-income countries – and France since 1983 with the famous tournant de la rigueur5 – tended to implement “austerity” and fiscal consolidation policies, which has accelerated in recent decades, and particularly after the 2008 global financial crisis (Blyth 2013; Shefner and Blad 2020).

Many of these political economy shifts are examples of processes of de- and re-institutionalization that characterize a political economy crisis (Hay 2016). While any social event may give rise to material changes, a crisis can be framed by the differing interpretations of these changes. Once those interpretations begin to spread, certain narratives might begin to consolidate institutional practices in new directions (ibid.). An example of the role that narratives may play in determining future policy routes comes from Manuel Valls’s interpretation of the November 2015 terrorist attacks in Paris. In describing them as having been “planned abroad – in Syria and Belgium – and carried [out] with French accomplices” (Valls 2015 cited in Faucher and Boussaguet 2018, 181), he insisted that their origins were outside the reaches of the French surveillance system. Because the attacks are construed as external events, Valls set the path towards seeing France as a target of terrorism in need of reinforced foreign security policies. We see here that these narratives play a pivotal role during crises in determining future policy routes (Widmaier, Blyth, and Seabrooke 2007, 749).

The role that individuals play in this process of crisis interpretation has been widely debated in the literature. While early seminal research mostly underscored the importance of elites’ practices and expressions in this process (Cox 1981), more recent literature has focused prevalently on the role of public opinion and common sense in setting policy routes (Seabrooke 2007; Widmaier, Blyth, and Seabrooke 2007) and their feasibility development of the welfare state after WWII and in particular during the 1960s in high-income countries. The main explanatory approaches include: “functionalist theories” (the logic of industrialization and modernization, see Cutright 1965, Wilensky 1974; neo-Marxist approaches, see Gough 1979, O’Connor 1973, Ofte 1984); “politics matters” theories (“simple democratic,” see Flora and Alber 1981; “popular protest,” see Piven and Cloward 1977; “power resources,” see Castles [1978] 2009, Esping-Andersen 1985, Korpi 1983, Shalev 1983, Stephens 1979; the role of Christian Democracy, see van Kersbergen 1995); “state centred theories” (e.g., path dependence, see Skocpol 1992; see also Evans, Rueschemeyer, and Skocpol 1985); theories based on the role of culture and political ideas (Lipset 1996; Stjernø 2004).

5 For a discussion on the advent of neoliberalism in France, see Fourcade-Gourinchas and Babb (2002).
This work suggests that the institutional change that characterizes a critical juncture in political economy might be highly socially contingent in its development and consolidation of new policy approaches (Hay 2016). Social contingency is an important element in consolidation towards new policy routes out of a crisis, because narratives, which allow the public to interpret and form an opinion around an event or set of events, are born in socially arbitrary contexts (Béland and Cox 2010; Hay 1996).

In the aftermath of the 2008 global financial crisis, austerity narratives that were informed and propagated by struggling financial institutions (Blyth 2013) came to be favored by an acquiescent public (Stanley 2014). Indeed, this broad acquiescence was particularly salient among materially privileged individuals, for they most readily found these consolidation measures to align with their common-sense practices of household debt reduction and viewing debt as a moral obligation (ibid). The tenacity of these austerity narratives, policies, and public support – fundamental components of a hegemonic project geared towards fiscal consolidation – has led some to suggest that modern economic regimes have been permanently marked by disequilibrating policy routes (Callinicos 2012). And so, in spite of the contradictions that austerity measures seemed to pose in the aftermath of the 2008 global financial crisis (Blyth 2013, or for a summary, Krugman 2012), the narratives nonetheless have had significant influence over public opinion in most high-income countries (see for example the continued justification of austerity measures after the 2008 global financial crisis in the work of mainstream economists, e.g., the symposium edited by Corsetti 2012). This means that policy measures inspired by austerity narratives have been more than just mere measures propagated by governments and international organizations and can instead be considered part of a hegemonic project to which public opinion has widely acquiesced. The process of the public yielding to this hegemonic political economy approach to make sense of the 2008 global financial crisis provides grounds for the notion that public opinion can be manipulated by convincing ideas and seemingly authoritative messages.

As the events of the past several months have upended the policy routes of recent decades in France and beyond (IMF 2020; Giles 2020a), we can expect public preferences to no longer acquiesce to austerity narratives and to move in favor of the idea that public spending expansion is the best strategy forward. Although this readjustment in policies may not necessarily prove permanent (cf. Callinicos 2012), this moment is nonetheless extremely significant in perhaps revealing a process of (de)construction of austerity narratives. Building on the insights provided by constructivist approaches, then, we contribute to international political economy and sociological literature by empirically

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6 For example, see Anderson et al. (2020); Elgin, Basbug, and Yalaman (2020); Lipson, Northend, and Albezreh (2020). These analyses of the policy impacts of the Covid-19 outbreak in France and beyond have been compiled and organized by the Oxford Supertracker: The Global Directory for COVID Policy Trackers and Surveys, courtesy of Mary Daly, Bernhard Ebbringhaus, Lukas Lehner, Marek Naczyn, and Tim Vlandas from the Department of Social Policy and Intervention at the University of Oxford (https://supertracker.spi.ox.ac.uk/).
exploring the connection between an emerging critical juncture, public preferences, and the salience of austerity narratives during the Covid-19 epidemic outbreak across the French population and different social and socioeconomic groups.

3 Measuring public preferences and their manipulability

In order to measure shifts in public opinion in relation to public spending, economic and health concerns, and austerity narratives, we gathered five biweekly waves of panel data between early April and early June 2020 (over the first lockdown period and shortly thereafter) with the ELIPSS survey on a nationally representative sample of the French population (see section 6, Data and methodological note, at the end of the paper for a detailed description of our survey data and methodological approach). Moreover, we posed two experimental questions to test the manipulability of public opinion on the economic and public health threats, and the salience of austerity narratives, and compared responses across a rich array of sociodemographic and socioeconomic categories with particular attention to class dynamics.

The survey questions help us to understand preferences for public spending in specific domains, including healthcare, education, law enforcement, rural development, firms, and unemployment insurance. Besides classical welfare state items, such as hospitals, education, and unemployment insurance, we also include an analysis of other public policy domains that may have been impacted by the Covid-19 epidemic outbreak. As the crisis might have affected the perception of public spending in all of these domains, we want to observe whether public preferences are more inclined towards social policy spending – i.e., health, education, and unemployment – than spending for law enforcement, rural development, and firms. Desire for change in social policy spending provides a general indication of the public’s willingness to leave fiscal consolidation measures behind and also gives an insight into the narratives that may gain salience in the future.

Considering the epidemic outbreak as a double-edged crisis consisting of a trade-off between ensuring public health and maintaining economic output in an otherwise more complex crisis environment then permits us to track how the public framed the events over the spring 2020 lockdown period. We measure this by asking respondents across all five survey waves to state their concern about the two aspects of the crisis on a continuous scale from concern solely about public health consequences (0) to concern solely about economic consequences (10).
Although these survey questions provide us with an idea of the direction of public opinion shifts, they do not allow us to capture the complexity of factors that could influence public opinion in an emerging critical juncture in political economy. These complexities entail for example trade-offs between the appeal of increased public spending and the potential cost to public finances that it invokes. Because of the uncertainties that these trade-offs may involve, public opinion could be manipulable against authoritative messages. With these considerations as a baseline, we investigate public opinion manipulability in the face of the economic and public health threats, and the salience of austerity narratives by posing two experimental questions to two randomly and equally divided treatment groups.

We posed the first experimental question at the peak of the first wave of the epidemic outbreak (mid-April 2020) in order to determine the degree to which a worrying economic forecast could align public opinion behind a strategy that privileges economic functioning over the public health threat. This question included a control statement predicting that the government’s public health goals would not be reached by the intended end date of strict lockdown measures (May 11, 2020) and a treatment statement with a concerning economic forecast. It served to measure if and to what degree public preferences could be bent towards prioritizing the economy (see Figure 1).

Using this first question both as an indication of the manipulability of public opinion in an environment of uncertainty and also as a test of the pliability of public opinion specifically towards economic concerns, we then turned to the second experimental question. This experiment was conducted at the beginning of June 2020 as economic reopening was fully underway and concern about the economy was highest. We treated one half of respondents with a Keynesian statement that the furlough scheme had been highly effective at safeguarding the economy, and the other half with an austerity narrative stating that the full cost of the scheme would need to be repaid in order to protect the economy. The goal of this question was to test the salience of austerity narratives by comparing whether respondents believed the emergency furlough scheme should be extended or discontinued across each group. We made use of the furlough scheme as a frame for this question because of its eye-watering cost and major contribution to the French public deficit. With this second experimental question posed at a moment that should be characterized by public opinion favoring austerity narratives, we test the degree to which acquiescence to austerity has been upended.

We further break down the results of the experimental questions by looking at an array of socioeconomic variations, including both quantitative and qualitative indicators of social class. While measures of wealth and income allow us to test variations

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7 Additionally, because agree-disagree survey questions can be subject to possible acquiescence or extreme response biases and to social desirability bias (Weijters, Geuens, and Schillewaert 2010), we complement these direct questions with experimental questions that help to confirm the public opinion shifts observed in this first approach.
Figure 1  Experimental question 1 (economic reopening) and experimental question 2 (austerity test) in English and French

Experimental Question 1 (15–22 April 2020)

Control
The President has announced that the lockdown should be partially lifted on 11 May. Let’s imagine that the number of cases will not have diminished as much as forecasted by then. In this scenario, what should be done?
1. Go ahead with partial lifting of the lockdown measures.
2. Continue with strict lockdown measures.

Le Président de la République a annoncé que le confinement devrait être suspendu partiellement le 11 mai prochain. Imaginons maintenant que le nombre de cas ne diminue pas autant que prévu d’ici là. Dans cette hypothèse, que doit-on faire?
1. Mettre en place ce confinement partiel.
2. Continuer avec le confinement le plus strict.

Treatment
The President has announced that the lockdown should be partially lifted on 11 May. Let’s imagine that the number of cases will not have diminished as much as forecasted by then. Experts fear that continuing with strict lockdown measures will worsen the economic crisis, with millions unemployed and up to 25% of all businesses going bankrupt. In this scenario, what should be done?
1. Go ahead with partial lifting of the lockdown measures.
2. Continue with strict lockdown measures.

Le Président de la République a annoncé que le confinement devrait être suspendu partiellement le 11 mai prochain. Imaginons maintenant que le nombre de cas ne diminue pas autant que prévu d’ici là. Les spécialistes craignent que continuer avec le confinement aggrave encore la crise économique, avec des millions de chômeurs et jusqu’à 25 % des entreprises qui pourraient faire faillite. Dans cette hypothèse, que doit-on faire?
1. Mettre en place ce confinement partiel.
2. Continuer avec le confinement le plus strict.

Experimental Question 2 (27 May–4 June 2020)

Keynesian Treatment
The State has spent a lot to fight the epidemic and its consequences, most notably with the installation of a furlough scheme that has been utilized by 12 million people at a cost of 24 billion euros to date. This spending on the part of the State has kept the national economy from completely collapsing. What do you think of this furlough scheme?
1. The furlough scheme has cost too much and we must now reduce its use as much as possible.
2. The furlough scheme has been an invaluable measure whose benefits should be extended for as long as they prove useful.

L’État a dépensé beaucoup pour faire face à l’épidémie du virus Covid-19 et ses conséquences, notamment avec la mise en place du chômage partiel qui a concerné 12 millions de personnes pour un coût de 24 milliards d’euros jusqu’à présent. Ces dépenses permettent aujourd’hui que l’économie du pays ne se soit complètement effondrée. Que pensez-vous de la mise en place du chômage partiel?
1. Le chômage partiel nous a coûté trop cher et il faut donc maintenant en restreindre l’usage autant que possible.
2. Le chômage partiel a été une mesure indispensable et il faut donc prolonger le dispositif autant que c’est utile.

Austerity Treatment
The State has spent a lot to fight the epidemic and its consequences, most notably with the installation of a furlough scheme that has been utilized by 12 million people at a cost of 24 billion euros to date. This spending represents a lot of debt for the State, which will have to be reimbursed in the future. What do you think of this furlough scheme?
1. The furlough scheme has cost too much and we must now reduce its use as much as possible.
2. The furlough scheme has been an invaluable measure whose benefits should be extended for as long as they prove useful.

L’État a dépensé beaucoup pour faire face à l’épidémie du virus Covid-19 et ses conséquences, notamment avec la mise en place du chômage partiel qui a concerné 12 millions de personnes pour un coût de 24 milliards d’euros jusqu’à présent. Ces dépenses signifient beaucoup de dettes pour l’État qu’il faudra rembourser à l’avenir. Que pensez-vous de la mise en place du chômage partiel?
1. Le chômage partiel nous a coûté trop cher et il faut donc maintenant en restreindre l’usage autant que possible.
2. Le chômage partiel a été une mesure indispensable et il faut donc prolonger le dispositif autant que c’est utile.
in the support for austerity narratives across financial situations, for a more qualitative perspective on social class we inquired about respondents’ occupation type. These measures were also complemented by reports of subjective social standing on a continuous scale. Additionally, we collected a broad set of sociodemographic information and inquired about left–right political leanings. By breaking down the results of the experimental questions across these variables, we were able to determine the degree of acquiescence to austerity narratives across different social and socioeconomic groups.

4 Moving away from austerity narratives? For the many, not the few

Our data reveal that public opinion shows considerably increased support for spending on public hospitals, education, the police, rural development, and firms (see Figure 2). Across all of these categories, public hospitals saw the greatest increase in support in comparison to the period before the epidemic outbreak. This perhaps suggests that the sheer burden on hospitals and the idea that they were on the front line of defending public health put the spotlight on the role they play as an essential social service. This is in stark contrast to the budget cuts to which hospitals have been subjected as a result of austerity policies, and which had rendered the healthcare sector fragile in the face of Covid-19. Similarly, the abrupt closure of all public schools and the shift to school instruction online brought back the focus on the importance of the education sector for both parents and children. The police also gained public recognition during this period – albeit at a lower rate than hospitals and schools – perhaps because of its role in maintaining lockdown compliance and providing support for hospitals. Moreover, urban flight dominated mobility patterns across the country – Paris alone lost 11 percent of its residents to the rest of French territory during the lockdown (Insee 2020c) – and increased reliance upon rural infrastructure. Finally, support for greater public spending on firms may derive from the concern that many businesses could shut down permanently.

Public opinion has appeared more lukewarm with regard to increased funding of unemployment insurance. This is probably a reflection of the already large emergency increase in funding for this crucial social policy, instated at the beginning of the first lockdown. The fact that public opinion favors keeping unemployment insurance spending at similar levels may instead confirm that a large share of the public has rejected austerity narratives, which portray unemployment insurance schemes unfavorably. Indeed, one of the main ideas built around austerity narratives – which disregard the role that

8 Occupation type aligns with the French PCS (Professions et catégories sociales) 2003, which includes six active labor categories that are hierarchized based on French socio-professional nomenclature (Insee 2017)

9 For example, assisting with the transfer of critically ill patients out of overburdened regions.
unemployment benefits play in preserving workers’ skills (Gangl 2002) – is that the unemployed are undeserving of insurance because they are societal free riders and thus do not contribute to collective economic prosperity (Romano 2015).

In a nutshell, the domains that received the public’s support for greater state spending were all central to the crisis narratives that sedimented during the epidemic outbreak. During this crisis, the public seems to consider hospitals and schools essential for societal functioning, and might come to interpret underfunding of these institutions as a direct consequence of previous austerity policies. This is in contrast to the prevailing narratives that sedimented in public opinion following the 2008 global financial crisis, when essential public services were not seen as a cure but rather as a burden in a period of crisis (Streeck 2011).

Increased public spending is only one way to measure the viability of austerity narratives during this crisis. As a result, we also explore their salience within the interpretive frame of the pandemic as a double-edged crisis in the continuum between economic and public health concerns. As discussed in the previous section, the positioning of public opinion on this continuum helps us to understand how the crisis is perceived and to what degree public opinion is manipulable via messages about potential policy routes out of it.
We found an overall swing of the pendulum from concern about public health at the start of the lockdown in early April 2020 to concern about the economy as the lockdown was lifted and economic activity restarted in early June 2020 (see Figure 3). Nonetheless, approximately one-third of the population felt that both aspects of the crisis were equally worrying (those positioning themselves in the middle of the scale), suggesting that uncertainty consistently loomed large across the five waves.

Moving to our first experiment conducted in mid-April 2020 – the period coinciding with the peak in the first wave of the epidemic and the moment at which the population’s concerns were most balanced between public health and the economy – we observed an exceptional malleability of public opinion regarding the trade-off between public health and economic concerns (see Table 1, left column, for detailed results). Inclusion of a statement that highlighted the potentially catastrophic economic consequences of a prolonged lockdown produced striking results. In this scenario, public opinion swung decisively in favor of economic reopening in spite of the ongoing public health threat. Overall, while about one-third of respondents (36 percent) favored economic reopening in the control group, that ratio increased to two-thirds (66 percent) in the treatment
group. Although there were some large variations across sociodemographic categories in the control group, all of these gaps were strongly diminished or fully erased in the treatment group.\textsuperscript{10} This broad convergence of opinions suggests that the narrative of a worrying economic outlook held greater sway over public preferences than nearly all variations associated with diverse sociodemographic categories.

Even differences across the political spectrum were erased upon treatment (see Table 1). While those with right-leaning political preferences were more in favor of economic reopening than those on the left in the control group (44 percent and 34 percent respectively), the treatment fully eliminated these variations. Indeed, two-thirds of people on the left, center, and right of the political spectrum supported reopening when treated (66 percent left-leaning, 65 percent in the center, 67 percent right-leaning). This convergence of respondents with politically diverse viewpoints towards equally supporting economic reopening demonstrates the power that convincing and authoritative information can have on manipulating public opinion (Hay 2016). These results both underline the manipulability of the public’s common sense in the uncertainty of this moment and also point to the increasing ease with which these opinions should be bendable towards favoring economic preservation.

In light of this, we tested the salience of austerity narratives among the public to understand if this hegemonic political economy approach to regulating economic crises over the past two decades could prove to be a legitimate strategy for the current period. However, despite posing the second experimental question at the point of the public’s greatest concern about the economic threat in early June 2020, and considering as well the power that a worrying economic forecast can have over public opinion, austerity narratives did not prove to be a viable approach to political economy for the majority of people (see Table 1, right column, for detailed results). Rather, just below one-third of respondents agreed that furlough benefits needed to be reduced in both scenarios, when treated with a Keynesian statement (suggesting that these benefits have been vital to economic preservation and receiving 32.1 percent of support) and an austerity proposition (claiming that these benefits would have to be repaid in the future and receiving 32.6 percent of support). In spite of the overall lack of malleability in public opinion, upon looking more closely at social class indicators – including wealth, profession, subjective social position, and income – there were some important differences in how salient the austerity treatment seems to be. Because this question did not bring about convergence over sociodemographic categories like its counterpart, we analyze localized support for austerity narratives that appears conditioned primarily on social class.

\textsuperscript{10} There were a few exceptional categories that did not demonstrate statistical significance upon being treated, including those with lower-middle education levels and those who are concerned about personal debt. However, these categories were associated with respondents who relatively preferred economic reopening in the control group, suggesting that these groups were already convinced by the need for economic reopening before being treated.
### Table 1  
Results from experimental question 1 (economic reopening) and experimental question 2 (austerity test) by social and socioeconomic categories. Percentages in question 1 correspond to the level of agreement for partially lifting lockdown measures on May 11, 2020 as initially planned. Percentages in question 2 correspond to the level of agreement that the furlough scheme has been too expensive and needs to be reduced.

<table>
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<th>Question 2</th>
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<td>Austerity (%)</td>
<td>P value</td>
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<td>237</td>
<td>29.1</td>
<td>38.5</td>
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</table>

*Note: Categories of interest are in black.

Descriptions for education levels are as follows: Below 303: no secondary education and first cycle of secondary education (below high school); 304, 404: secondary education, post-secondary non-tertiary education (high school); 500, 6: short-cycle tertiary education and bachelor’s degrees (undergraduate/some undergraduate); 700, 8: master’s and doctoral degrees (graduate).
A high level of wealth is one of the important measures of social class that appears to be correlated with significant support for austerity narratives. Among those who report having more than 300,000 euros in savings and assets, the austerity treatment convinced over 44 percent of respondents, compared to just 26 percent treated with the Keynesian statement. The affinity that those in this socioeconomic category have towards austerity is especially stark in comparison to those in the bottom tier of the wealth distribution. In order to confirm if social class provides a potential explanatory framework for the affinity that the materially privileged seem to display for austerity narratives, we also take into account professional characteristics and self-reported indicators of social status. Among those identifying as managers and declaring themselves to be in the highest subjective social positions, we find a very similar pattern of austerity narratives being convincing, with shifts from 28 percent to 46 percent and 28 percent to 47 percent respectively. The consistent results found across these three socioeconomic indicators – which can be said to constitute material, professional, and subjective measures of class – show that the most privileged quarter of the population is convinced by the legitimacy of austerity narratives in a situation primed for crisis. On the other end of the social spectrum, nearly all other sociodemographic groups reject these narratives in this environment, suggesting a potential discordance along class lines.

Studies on the 2008 global financial crisis can help us interpret this strong support for austerity narratives that characterizes the most privileged group. Indeed, Stanley (2014) found that those who conceived of macroeconomic state budgeting as a zero-sum game and its functioning to be similar to microeconomic household budgeting were also most likely to acquiesce to austerity measures. The most materially privileged group tended to align with this zero-sum interpretation most readily, suggesting that our results confirm the resilience of this interpretation among the most affluent portion of the public. The most privileged are also more likely to have benefited financially under austerity policies over the past decade. More bluntly and unsurprisingly, in a world of zero-sum distribution of finances, austerity seems to make the most sense for those in a privileged material and social position.

In contrast, the lower-middle classes – a large majority of the French population – more readily favored maintaining the furlough scheme when presented with the austerity proposition. Indeed, the social groups (i.e., clerical workers, the lower-middle income

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11 If it is the case that wealthy individuals support austerity because it tends to fit with their understandings of macroeconomic functioning, we find that the only other sociodemographic groups that find austerity narratives convincing in the current context are those with a zero-sum conception of finances and budgeting. This includes people who strongly disagree with a universal basic income and those who disagree with the idea that social justice can be achieved by taking from the rich and giving to the poor (analysis not shown). Among those groups, austerity narratives may gain salience because an “everyone-for-themselves” view towards personal finances maps easily onto conceptions of macroeconomic functioning.

12 Indeed, the wealthy have benefited over the past decade because of the low interest rates and the cuts to social spending – and in turn tax cuts – that have characterized austerity policy strategies.
group) who have been more affected by public spending cuts over the last two decades are also those who more strongly reject austerity narratives. This most fragile part of the population is perhaps displaying a conscious rejection of the policies inspired by austerity narratives, because they have had a direct impact on their material and social position. It is interesting to note that a subset of the lower-middle classes, for example clerical workers, not only reject austerity narratives but were also the staunchest supporters of the Gilets Jaunes movement in the largest French cities (Porcher 2019). This might suggest that the Covid-19 epidemic outbreak is exacerbating an ongoing rejection of fiscal consolidation strategies on the part of the lower-middle classes, revealing further cracks in the paint of the public’s acceptance of neoliberal economics. Although our data do not allow us to judge if this current repulsion to austerity among these groups is a permanent rejection, the emerging critical juncture in political economy connected with the Covid-19 epidemic outbreak appears to provide grounds for reinforcing their anti-austerity viewpoint.

In sum, with the exception of the upper class, austerity does not appear to inhabit people’s common sense in France.

5 Concluding remarks

The Covid-19 epidemic outbreak constitutes an exceptional setting in which to study the salience of austerity narratives. Moving within this context, our paper provides a timely analysis of public viewpoints of austerity in the midst of a public health and economic crisis based on a unique set of panel data and a methodological approach mixing survey questions and experiments. More broadly, we contribute to critical political economy and sociology by capturing a snapshot of long-standing hegemonic narratives, whose salience seems to be challenged during an emerging critical juncture in a political economy context already primed for a structural crisis. We reveal the potential discordance that exists between the public’s preferences and the dominant strategy of fiscal consolidation on the part of the State over recent decades.

Our empirical evidence suggests that public preferences favor increased public spending in relation to pre-epidemic levels, especially in healthcare and education – sectors greatly impacted by austerity measures in the recent past. Additionally, while public opinion is highly manipulable with authoritative messages about health and economic concerns, this is not the case with austerity narratives for the large majority of the public. Only the upper class – which can be described in a stylized way as wealthy managers, self-positioning themselves at the top of the social ladder – continue to partially support these narratives.
The potential implications of these results for the study of class and conflict in political economy and sociology are considerable. There is a class divide of public preferences for austerity narratives that cuts across wealth, profession, and self-perception of position in society. Does this mean that the crisis precipitated by the Covid-19 outbreak might contribute both to an increased division of material privilege along class lines (“class in itself”) and also to increased divisions in the common sense held by these groups (“class for itself”)? Could this lead to a renewed class conflict, or new forms of conflict tout court?

Our findings seem to suggest that the political economy order underpinned by neoliberal economics does not seem to be considered as viable by the large majority of the French public. Over the past two decades, we have witnessed a sort of “acquiesced hegemony,” that is, a political economy environment in which the only “game in town” is neoliberalism based on fiscal consolidation and welfare state retrenchment, even if this choice only favors a privileged minority of the population. Austerity narratives – like trickle-down economics, the view of the unemployed and the poor as scroungers, the ineluctability of fiscal consolidation – have contributed to creating an environment of broad yielding to these policy routes. However, the scarring effects of protracted fiscal consolidation sedimented around austerity narratives and the incumbent dramatic economic crisis fostered by the Covid-19 epidemic outbreak appear to be on the verge of unsettling this equilibrium. Perhaps people in the lower-middle classes can no longer accept an economic system and policy choices that conspicuously impact their livelihoods. The unfolding of a potential conflict between sections of the public with different material interests and viewpoints on the future of public policy strategy will perhaps shape the future of French society and beyond, and will certainly hinge upon the developing long-term consequences of the epidemic outbreak.

Besides the broader implications of our study, there is certainly the possibility to explore our line of questioning further. As an example, we suggest exploring the shifts away from austerity narratives observed in the spring of 2020 in a longer time span. This could be done by testing what Stanley (2014) has shown to be a particularly convincing aspect of austerity narratives: their resonance with the public’s sense of debt as a moral obligation. If the public still rejects austerity narratives as inappropriate for policy strategies even when they are presented in moral terms, this may provide further evidence that austerity no longer inhabits the majority’s common sense.

6 Data and methodological note

Our study consists of five survey waves and is part of the Coping with Covid-19 (CoCo) research project of SciencesPo’s OSC (Observatoire sociologique du changement). The survey waves were administered every two weeks from early April to early June 2020 to
a panel of respondents originally recruited in 2012 for participation in ELIPSS (L’Étude longitudinale par internet pour les sciences sociales). This probability-based panel is maintained by Sciences Po’s CDSP (Centre de données socio-politiques) and currently includes a sample of 1,404 French residents. The respondents were initially drawn from census data and took part in face-to-face interviews to establish their capacity to participate in the panel.

Panelists participate in about ten surveys per year, with an average response rate of nearly 85 percent. This aligns with the response rate for our ad hoc survey waves, which saw 1,216 respondents (87 percent of panelists) participate in at least one wave. Given the high frequency of this survey, there was some attrition from one wave to the next, with 732 panelists participating in every wave. Since attrition is likely to be non-random, we re-weighted observations in order to account for this potential bias. Final weights in this paper have been computed to take into account design effects from the initial stage, bias due to acceptance rate in the enrollment phase, and post-stratification including sex, age, education and region. When reporting descriptive statistics for outcome variables of interest, we always include weighted results in order to make our analysis representative of the population of France.

Each of our survey waves is made up of two sets of questions: 1. Those that appear in at least two of the survey waves; 2. Those that are unique to individual waves. Among our data, the former group includes opinion questions on spending and concern about health vs. the economy, while the latter group mostly revolves around punctual, experimental questions. We rely upon descriptive statistics to build our analysis for this paper.

Reports of wealth are grouped into three categories, with 40 percent of respondents holding less than 150,000 euros in savings and assets, 29 percent holding between 150,000 and 299,999 euros, and 31 percent holding 300,000 euros or more.

Asked about which type of occupation their current or last professional activity best corresponds to, a third of respondents classify their occupation as cadres or an intellectual profession (labeled in this paper as “Managers”) and another third as clerical workers. The remaining third of respondents self-classify as follows: 17 percent indicate an intermediate profession such as technician or foreman (“Technician”), 8 percent artisan, entrepreneur, or shopkeeper (“Artisan, Shopkeeper”), 5 percent blue collar, and 2 percent farmer, with 1 percent indicating that they had never performed any professional activity.

In terms of household income, approximately one quarter of respondents earn less than 2,000 euros per month, 27 percent earn between 2,000 and 2,999 euros per month, slightly more than 20 percent earn between 3,000 and 3,999 euros per month, and 28 percent report earnings of 4,000 euros per month or more.
Educational attainment is classified according to the EU-LFS coding for educational attainment (ISCED-2011, from 2014).

Finally, the ELIPSS panel contains limitations common to most general population surveys and most noticeably statistically under-reports marginal groups. Because the panel does not include those who are homeless or in hospital, retirement homes, or prison, we must limit the conclusions we draw from our findings in regard to these groups. In addition, participation in ELIPSS requires basic internet access, potentially skewing the panel’s profiles away from groups less likely to have such access.

References


The Max Planck Sciences Po Center on Coping with Instability in Market Societies (MaxPo) is a Franco-German research center which was jointly founded by the Max Planck Society and Sciences Po. Researchers at MaxPo investigate how individuals, organizations, and nation-states are coping with the new forms of economic and social instability that have developed in Western societies as a result of policy shifts, the expansion of markets, technological advances, and cultural changes. Located at Sciences Po Paris and cooperating closely with the Max Planck Institute for the Study of Societies (MPIfG) in Cologne, the Center aims to contribute substantially to the social sciences in Europe and enrich academic and political dialogue between France and Germany.

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