

The manufactured crisis of COVID-Keynesianism in Britain, Germany and the USA

James D. G. Wood^a, Valentina Ausserladscheider^b and Matthew Sparkes^c

^aDepartment of Politics and International Studies, University of Cambridge, Trinity Hall, Cambridge CB2 1TJ, UK, jdw82@cam.ac.uk

^bDepartment of Economic Sociology, University of Vienna, Kolingasse 14-16, 1090 Wien, Austria, ausserladscheider@univie.ac.at

^cDepartment of Sociology, University of Cambridge, 16 Mill Lane, Cambridge CB2 1SB, UK, ms2268@cam.ac.uk

Economic policymaking shifted away from neoliberal ideals towards ‘crisis’ Keynesianism during the COVID-19 pandemic. We use a comparative process tracing approach to examine how political and economic actors in Britain, Germany and the USA attempt to legitimise a potential return to neoliberalism to voters. We show that pro-neoliberal actors discursively construct a ‘crisis’ of COVID-Keynesianism by associating it with rising inflation and ‘unsustainable’ levels of government spending. Whilst emphasising key neoliberal policies of maintaining low inflation and fiscal conservatism to establish a return to ‘normal’ neoliberal policymaking. Therefore, we explain how the neoliberal policy paradigm reasserts itself when challenged.

Keywords: neoliberalism, COVID-19, institutional change, crisis, comparative political economy, constructivism

JEL Classifications: E02, O57, P16, Z13

Introduction

Much like the 2008 Global Financial Crisis (GFC), the severity of the economic consequences from the COVID-19 pandemic saw many governments shift away from ‘normal’ neoliberal policymaking that has dominated ideas about how advanced economies should be run since the 1980s. The neoliberal policy paradigm emphasises maintaining low and stable inflation, a low tax environment, fiscal conservatism, welfare state retrenchment, active labour market policies and the importance of the state as a facilitator of private markets, rather than a substitute for them (Hay, 2004a). The COVID-19 pandemic saw many neoliberal policies abandoned in favour of prioritising employment and maintaining a baseline of economic performance, supported by the state provision of loans to private firms, corporate equity ownership and high levels of welfare spending; all hallmarks of Keynesian economic ideas (Béland et al., 2021). Subsequently, the observed shift towards COVID-Keynesianism has been hailed as a

reorientation of economic policymaking around a new paradigm, marking a distinct break from neoliberalism (Saad-Filho, 2020; Davies and Gane, 2021; Gerbaudo, 2021).

We argue that such accounts overstate the extent these Keynesian-style state interventions in the economy during the pandemic mark a permanent institutional change away from neoliberalism. Rather than marking a permanent shift away from neoliberalism, Keynesian-style policies may be temporarily ‘borrowed’ by the neoliberal policy paradigm as a form of economic crisis management before returning to ‘normal’ neoliberal policymaking once the crisis subsides (Hay, 2012). The GFC provides a clear example of this, as several countries temporarily adopted Keynesian-style economic ideas by increasing welfare provision and nationalising financial institutions before introducing neoliberal fiscal austerity measures once their domestic economies stabilised (Wade, 2008; Duménil and Lévy, 2011; Burns et al., 2018). However, there has been little examination of how neoliberal economic ideas may

Received: November 23, 2021; editorial decision: May 26, 2022; accepted on: July 7, 2022

© The Author(s) 2022. Published by Oxford University Press on behalf of the Cambridge Political Economy Society.

This is an Open Access article distributed under the terms of the Creative Commons Attribution-NonCommercial License (<https://creativecommons.org/licenses/by-nc/4.0/>), which permits non-commercial re-use, distribution, and reproduction in any medium, provided the original work is properly cited. For commercial re-use, please contact journals.permissions@oup.com

become re-established after the economic crisis of the pandemic has been managed, which is where this paper makes an empirical contribution.

Institutional changes of economic policymaking do not occur solely at the direction of policymakers, as they are reliant on 'a sufficient intersubjective consensus about the legitimacy of change among the broader population' (Widmaier et al., 2007, 749). As such, political actors may look to foster legitimacy by influencing voter preferences about how the economy should operate. Political actors may also attempt to persuade the public of the necessity of instigating an institutional change of economic policymaking by discursively constructing a crisis of the economic policy set currently in place (Hay, 2004a; 2016a). Here, a crisis is deemed a moment of necessary intervention, where political actors associate current economic policies with various social, economic and political problems that need to be addressed (Hay, 2016a). This, therefore, constructs a justification for a new policy set to be introduced that directly solves the problems associated with the current economic paradigm (Hay, 2016a). Whilst the crisis and solution narratives of other major institutional changes in economic policymaking (for example the GFC, Eurozone and Brexit) have been clearly articulated (for example: Hay, 2012; Ramalho, 2020; Wood and Ausserladscheider, 2021), the specific narratives deployed by policymakers to motivate a return to 'normal' neoliberalism after the pandemic are an under-explored research area. Therefore, and to address these issues, this paper examines whether, and to what extent, policymakers in different countries attempt to legitimise the re-establishment of 'normal' neoliberal policymaking after the COVID-19 pandemic?

To explore this issue we use a descriptive comparative inductive process tracing approach in combination with a thematic analysis (cf. Bryman, 2012) to examine how pro-neoliberal narratives emerge in Britain, Germany and the USA in the context of the pandemic. We consider political actors and representatives of governing economic institutions to be pro-neoliberal policymakers based on the extent to which they publicly advocate the resumption of neoliberal policies after the pandemic. The three cases were selected as each country has adopted key tenets of neoliberal policymaking in the decades preceding the pandemic (Konings, 2010; Hay, 2004a; Germann, 2014). Our comparative analysis focuses on identifying similarities and differences in how crises of COVID-Keynesianism are constructed in-line with the nationally specific institutional configurations of neoliberalism in each case (cf. Brenner et al. 2010). Although our analysis is descriptive, it is also analytical, as it relies on Carstensen and Matthijs' (2018) 'punctuated evolution' approach to Hall's (1993) policy paradigm framework and Hay's (2016) constructivist institutionalism, which emphasises how crises can be discursively constructed to motivate institutional changes of economic policymaking. Our analysis is not deduct-

ive, as each crisis is unique to its socio-political context, meaning that our explanation inductively describes the specific form of how each crisis is constructed in each case (Hay, 2016).

Our qualitative dataset is comprised of unsolicited secondary documents collected between March 2021 and October 2021, including public statements, interviews, speeches and reports from policymakers, pertaining to each case. Due to the extensive variation in the length and context of the qualitative sample, we do not use quantitative information to inform our analysis because it would potentially misrepresent the data and bias our conclusions (Maxwell, 2010). The qualitative data analysis software package – Atlas.ti – is used to deploy a thematic analysis (Bryman, 2012) using descriptive (Saldana, 2015) and process (Corbin and Strauss, 2015) coding approaches to analyse specific events, conditions and processes relevant to pro-neoliberal actors' crisis and solution narratives. This approach generated codes reflecting core tenets of the neoliberal policy paradigm specific to each case, whilst accounting for the contextually specific dynamics underpinning crisis narration and solution processes. The thematic analysis allowed the construction of an index of central themes and subthemes (Bryman, 2012, 579), which can be found in the [Supplementary Material](#).

The results of our analysis demonstrate how political actors across the cases construct crisis narratives around the fiscal sustainability of COVID-Keynesianism and the threat of rising inflation during the pandemic. Subsequently, the neoliberal policies of fiscal conservatism and a return to inflation targeting are promoted as solutions to these twin 'crises' of COVID-Keynesianism. We also show there are key contextual specificities in each case. In Britain, political actors from across the spectrum raise issues of fiscal sustainability, demonstrating the deep integration of neoliberal policymaking. Whilst German political actors advocate a return to fiscal conservatism after the pandemic, as past prudence provided the conditions to deal with unexpected economic instability caused by the pandemic. Although economic actors in Britain and Germany call for the Bank of England and the European Central Bank (ECB) to refocus their attention on their inflation targeting mandates to address the crisis of inflation, Republican policymakers in the US bind the twin crises of COVID-Keynesianism by holding Biden's fiscal spending responsible for rising inflation. Overall, our analysis makes two key contributions to the literature on institutional change by demonstrating how political actors can influence within-paradigm changes in economic policymaking, whilst also explaining how the reproduction of a dominant paradigm needs to be constructed to withstand challenges from potential alternative economic ideas.

The remainder of the paper is structured as follows: we first summarise the persistence of neoliberal policymaking in times of crisis and how institutional changes in economic policymaking are conceptualised. Thereafter

we describe the similarities of the ‘crisis’ construction of COVID-Keynesianism and its solutions across the cases. Finally, we develop a comparative analysis of the key differences between the cases, which is followed by a summarising conclusion.

The persistence of neoliberalism and the challenge of COVID-Keynesianism

Conceptualising institutional continuity and change are key areas of analysis for political economists, who have examined various structural shifts in economic policymaking at the national and international levels (Hay, 2004a, 2004b). Neoliberalism replaced Keynesianism as the dominant form of economic policymaking in many advanced economies in the 1980s, after the collapse of the Bretton Woods system and the inflation and productivity crises of the 1970s (Hay, 2004a; Best, 2021). Although a highly contentious term, we consider neoliberalism an economic policy paradigm, defined as an interpretative framework based around a set of economic ideas about how the economy should be run (Hall, 1993). The neoliberal policy paradigm is oriented around a main macroeconomic objective of maintaining low and stable inflation, whilst also advocating policies of welfare state retrenchment, fiscal conservatism, low taxation, labour market activation, as well as using the state to facilitate private markets, rather than substituting for them (Hay, 2004a).

Whilst it has been argued that neoliberalism is both a homogenous and homogenising force, there are significant differences in neoliberal policymaking at the national level (Hay, 2004b). The Anglo-American cases of the USA and the UK are considered archetypes of what constitutes the neoliberal policy paradigm. Yet other countries have adopted neoliberal policies to varying extents, especially in the EU, whilst consistently being oriented around maintaining low and stable inflation (Peck, 2010; Ryner and Cafruny, 2017; Clifton et al., 2018). The growth model literature also highlights key differences in the structures of neoliberal economies that can be oriented around either debt-driven (for example the UK) or export driven (for example Germany) growth (Stockhammer, 2016). Therefore, there is a variegated ‘systemic production of geoinstitutional differentiation’ of neoliberal policymaking at the national level, resulting in different processes and extents of neoliberalisation across countries (Brenner et al., 2010, 184).

Although neoliberalism has dominated policymaking in many advanced economies, it has been found wanting by the macroeconomic challenges presented by the COVID-19 pandemic. The pandemic cost the global economy \$10tn in forgone GDP across 2020–2021, in part due to a lack of demand and supply chain issues that threatened to increase unemployment and economic inactivity (The Economist, 2021). Presented with such economic

challenges, many governments abandoned neoliberal policymaking in favour of emergency policies more traditionally associated with Keynesian economic ideas, such as prioritising employment, wage subsidies, elevated welfare spending, as well as the state provision of loans to private firms and corporate equity ownership (Béland et al. 2021). Additionally, some central banks broadened their mandates from a primary focus on price stability to support government attempts to maintain demand and stabilise domestic labour markets. This observed shift towards ‘crisis’ Keynesianism during the COVID-19 pandemic has led to suggestions that it marks the potential end of neoliberal policymaking in advanced economies (Saad-Filho, 2020; Davies and Gane, 2021; Gerbaudo, 2021).

We contest that the introduction of Keynesian-style policies in moments of economic crisis does not necessarily mark a significant departure from the neoliberal policy paradigm. Whilst Keynesianism and neoliberalism are distinct policy paradigms, the 2008 GFC provides an example of how Keynesian-style policies can be implemented under neoliberalism as a temporary mode of economic crisis management (Carstensen and Matthijs, 2018). To avert the collapse of domestic financial sectors during the GFC, many neoliberal governments in Europe and North America temporarily introduced a variety of Keynesian-style policies as short-term measures to stabilise their domestic economies, such as nationalising banks, providing emergency loans to financial institutions and injecting liquidity into capital markets (Carstensen and Matthijs, 2018). These measures required huge fiscal interventions and saw many countries’ government debt to GDP ratios increase dramatically (Culpepper and Reinke, 2014). The adoption of such Keynesian-style state interventions led to suggestions that the GFC marked the decline of the dominance of neoliberal policymaking in advanced economies (Wade, 2008; Duménil and Lévy, 2011; Burns et al., 2018). However, the adoption of these Keynesian-style policies was short-lived, as neoliberal policymaking resumed in many advanced economies (for example via tight fiscal ‘austerity’ and labour market flexibility measures) once the crisis had abated (Hay, 2012; Lobao et al., 2018).

Whilst short-term economic policies may be introduced by political actors to avert moments of financial instability, longer term changes of economic policymaking cannot be implemented purely from the ‘top-down’. Rather, such changes are reliant on ‘a sufficient intersubjective consensus about the legitimacy of change among the broader population’ (Widmaier et al., 2007, 749). On one hand, policymakers may respond to the economic preferences of voters (Elkjær and Iversen, 2020). On the other, they may also attempt to influence voter preferences by persuading voters that their policy proposals are necessary (Widmaier et al., 2007). While the GFC offers an example of how political actors sought to legitimise a return to ‘normal’ neoliberal

policymaking through the construction of a crisis of Keynesian crisis measures, there has been little examination of this during the pandemic. Nor have these dynamics been accounted for in terms of the contextual specificities of the variegated processes and extents of neoliberalisation in different countries. Therefore, and to address these issues, this paper examines whether policymakers in different countries attempt to legitimise the re-establishment of 'normal' neoliberalism after the COVID-19 pandemic?

Legitimising Institutional Change by Constructing a Crisis of Economic Ideas

The analytical framework of this paper uses Carstensen and Matthijs' (2018) 'punctuated evolution' approach to Hall (1993)'s pioneering economic policy paradigm framework, in conjunction with Hay's (2016) constructivist institutionalism, which conceptualises the role of crises in shaping institutional changes of economic policymaking. The policy paradigm framework distinguishes between first, second and third order change as a response to policy anomalies, which may be considered economic, social or political problems emerging from within the paradigm (Hall, 1993). First order change takes the form of routine adjustments to existing policies, whilst the policy instruments and overall goals of the policy paradigm remain the same. Second order change sees the introduction of new policy instruments with the overall goals remaining the same. Finally, a paradigm shift may only occur under third order change, where both policy instruments and overall goals of the paradigm are replaced (Hall, 1993).

Although Hall's (1993) policy paradigm approach is a seminal work in political economy, it has been criticised for taking a 'punctuated equilibrium' view of institutional change. Policy paradigms have their own specific view of the context facing policymakers, what the main economic goals are and how policymakers should achieve those goals; each paradigm is therefore considered incommensurable (Hall, 1993). As such, the policy paradigm approach under-appreciates within-paradigm change (Carstensen and Matthijs, 2018). Carstensen and Matthijs (2018) account for these issues by deploying a 'punctuated evolution' approach to neoliberal policymaking before, during and after the GFC. Here, if the overarching goals remain in place, other policies can change significantly within a broader paradigm depending on the specific objectives of the policymakers in office. Furthermore, inter-paradigm policy borrowing is possible as a temporary measure if implemented to stabilise the existing policy paradigm (Hay, 2011). This explains how policies associated with the Keynesian paradigm can be commensurable with the neoliberal paradigm, but only as a short-run set of crisis management tools that are then discarded once

the economy is sufficiently stable (Hay, 2011; Carstensen and Matthijs, 2018).

Another significant issue of Hall's (1993) policy paradigm approach is that it insufficiently accounts for how institutional change within and between paradigms must be legitimised and accepted by voters (Widmaier et al., 2007; Carstensen, 2011; Berman 2013). Here there is a link to the constructivist institutionalism literature, which emphasises the central role of ideas in political analysis, as political actors (for example voters, as well as political and economic policymakers) behave in-line with certain norms, interests and understandings of the socio-political context in which they inhabit, which, in-turn, influences political behaviours and outcomes (Hay, 2016). The variegated nature of neoliberalism means that the policy paradigm has manifested in distinctive ways and to various extents in different countries (Brenner et al., 2010). Therefore, each geoinstitutional configuration of neoliberalism at the national level may be considered its own distinctive socio-political context, with its own specific norms that different political actors respond to, seek to influence and are influenced by.

Within any socio-political context there is also a contest between competing narratives constructed by different political actors about what the most pressing issues are, what the correct policy response to those issues is and whether they justify an institutional change in policymaking (Hay, 2016). Policymakers may facilitate this by constructing a 'crisis' narrative about a policy issue that requires a necessary intervention in a policy area, where the problems are inherent to 'internal pathologies' of the current institutional design (Hay, 2004a, 505). These 'crises' may begin as normative narratives produced by the discursive communications of policymakers, which are then normalised through their acceptance and reproduction by other actors (Hay, 2004a). These narratives may subsequently motivate institutional change if the associated policies are adopted by institutionally embedded actors and become embedded in specific institutional contexts (Hay, 2016a).

This section has established our analytical framework. The following section starts our empirical analysis, where we describe the similarities of the 'crisis' construction of COVID-Keynesianism and its solutions across the cases.

The twin 'Crises' of COVID-Keynesianism and their neoliberal solutions

Across the cases, we identify two main 'crisis' narratives of COVID-Keynesianism produced by policymakers. The first normative crisis narrative questions the sustainability of the high levels of fiscal spending used to support employment and facilitate a minimally functioning economy during the pandemic. The combination of increased fiscal

spending policies and reduced economic growth between 2019 and 2020 saw government debt as a share of GDP increase from 84.4% to 106.0% in Britain, 105.2% to 125.2% in the USA and 59.7% to 70.0% in Germany (Bundesbank, 2021; FRED, 2021; ONS, 2021). This increase in government debt is problematised by political actors, such as members of the British Conservative Party, the Republicans in the USA and the Christian Democrats in Germany, who argue tax increases will be needed if fiscal spending remains high. This is reinforced by highlighting how interest rates are currently at historic lows and any future increase in interest rates would raise the cost of borrowing, requiring tax increases to make it sustainable (Lindner, 2021; Sunak 2021a; Toomey, 2021). In each case we also find moralistic arguments about taking on such high levels of government debt that focus on intergenerational justice, whereby familial narratives are invoked around the fiscal burden that is placed on the children and grandchildren of current taxpayers (Blackburn, 2021; Bundestag 2021; Sunak, 2021a).

The crisis of fiscal sustainability narrative also focuses on welfare payments made to those on furlough schemes or unemployment benefits. Here it is argued that generous welfare payments incentivise recipients to remain on furlough schemes or unemployment benefits rather than return to work or find gainful employment. These benefits are subsequently held responsible for creating supply shortages in the labour market of each case, thus, increasing costs for firms who have to offer higher wages to attract potential employees (Merz, 2020; Haldane, 2021; Ways and Means Committee, 2021).

In each case the neoliberal policy of fiscal conservatism is offered as a solution to this manufactured crisis of fiscal unsustainability. Despite the IMF's calls for national governments to refrain from implementing 'austerity' spending cuts in the aftermath of the pandemic, we find policymakers repeatedly calling for government spending to be reduced. In particular, they call for an end to furlough schemes supporting workers, rather than ending policies directly supporting businesses. We also observe calls for a reduction in welfare payments in general and a deepening of labour market activation policies to address labour market issues; both of which are in-line with neoliberal economic ideas. Finally, we also observe how individual responsibility is invoked as a solution to minimise the state's responsibility for individual welfare (Coffey, 2021b; Merz, 2021; RSC, 2021).

The pandemic introduced various inflationary pressures into the global economy, such as rising energy prices, labour costs and supply chain disruptions, causing inflation rates in Britain, Germany and the USA to exceed their respective central bank targets of 2% in 2021 (OECD, 2021). This observed increase in inflation forms the basis of the second crisis narrative produced by policymakers about COVID-Keynesianism across each case. The large-scale asset purchase (LSAP) monetary stimulus programmes

(also known as quantitative easing) adopted by central banks after the 2008 GFC and the Eurozone crisis, maintained throughout the pandemic, form a key element of this manufactured crisis of COVID-Keynesianism. These policies stimulate the economy via a monetary expansion, which is considered a key driver of inflation in neoliberal economic ideas. Despite these LSAP programmes having little inflationary consequences in the decade before the pandemic, we find pro-neoliberal policymakers hold them responsible for the rise of inflation during COVID-Keynesianism (Arnold, 2021; House of Lords Economic Affairs Committee, 2021; Manchin, 2021).

This crisis narrative around inflation also focuses on how central banks have compromised their mandate of maintaining low and stable inflation. Each of the central banks publicly stated they will support government fiscal policy during the pandemic. The LSAP programmes are subsequently criticised for purchasing government debt, as central banks are considered to be financing the unsustainable fiscal spending of each government. This has led to accusations that the central banks' political independence has been compromised as it supports government spending policies that are inherently politicised (House of Lords Economic Affairs Committee, 2021; Toomey, 2021; Treeck 2021).

We find policymakers offer neoliberal solutions to their problematisation of inflation, by calling for the re-establishment of their central banks' political independence and demanding they focus solely on an inflation targeting mandate. We find repeated calls for the reinstatement of technocratic management of inflation by curtailing quantitative easing, reintroducing monetary discipline and raising interest rates to challenge any permanent embedding of increased prices (Arnold, 2021; Haldane, 2021). This is also associated with the crisis of fiscal sustainability, as raising interest rates to deal with inflation will also increase the cost of borrowing; thus, justifying political calls for the introduction of fiscal conservatism (Sunak, 2021a, 2021b; Treeck 2021).

Although this section has identified two manufactured 'crises' of COVID-Keynesianism across each case, and their neoliberal solutions, the following sections examine the national institutional differentiation of how the crisis of COVID-Keynesianism is constructed in the British, German and US cases, as well as the specific solutions developed.

The British case: return to fiscal sustainability and refocusing the Bank of England

In the British case, we find that politicians across the political spectrum emphasise the need for fiscal sustainability. The British Conservative Party are widely associated with implementing neoliberal policies in the decades

preceding the pandemic (Carstensen and Matthijs, 2018). Meaning many prominent Conservative politicians are uncomfortable with implementing what they describe as 'a command-and-control-economy' under COVID-Keynesianism (Truss, 2021), and call for a return to 'normal' neoliberal policymaking by reasserting 'what we strongly believe in... free markets, enterprise, entrepreneurship' (Kwarteng, cited in Thomas and Parker, 2021). As the Conservatives introduced COVID-Keynesianism in Britain, they cannot construct a crisis about the policies themselves, but rather frame them as a temporary necessity that is unsustainable in the longer-run as it presents 'huge challenges' for Britain's public finances (Sunak, 2021a). Although Britain's Chancellor of the Exchequer at the time, Rishi Sunak, adopted a Keynesian-style tax and spend agenda in the October 2021 budget, in his earlier 2021 budget speech, Sunak (2021a) problematised continued state spending by describing it as 'immoral' and arguing: 'while it is right to help people and businesses through an acute crisis like this one, in normal times the state should not be borrowing to pay for everyday public spending'.

Similar 'crisis' narratives about fiscal spending have been advanced across party lines. For example, the cross-party Committee of Public Accounts stated the fiscal 'response means government will be exposed to significant financial risks for decades to come' (2021, 5). In a public rebuke of COVID-Keynesianism the Labour Leader, Keir Starmer, pledged that once in office, Labour will 'repair our public finances' (2021, 10). Whilst Angela Rayner (2021, c799), Deputy Labour Leader, problematised government spending levels in stating: 'it is our grandchildren who will still be paying off the debt that has mounted up over this period'. When asked whether nurses' salaries should be increased and university tuition fees should be removed, Labour MP Kim Leadbeater (2021) replied: 'people are also sick of thinking there's a magic money tree, there isn't'. Thus, echoing a statement made by former Conservative Prime Minister Theresa May when justifying a pay freeze for nurses in 2017. These examples demonstrate how both of Britain's main political parties are adopting neoliberal economic ideas of fiscal conservatism in the aftermath of the pandemic.

A key solution to rebalancing Britain's public finances involves reducing government spending. There is an emphasis on removing the welfare measures introduced to support the public during the pandemic, including furlough schemes and universal credit increases, which were 'always intended to be a temporary measure' (Sunak, 2021b). The Work and Pension Secretary, Therese Coffey (2021a), echoes Sunak by stating these measures were 'brought in line with the temporary measures to support people during the COVID-pandemic; it's been phased out in line with all the other temporary measures that are also being removed'. In association with the withdrawal of welfare programmes, there is a deepening of

labour market activation policies, which focus on 'getting people into work, getting them into good, well-paying jobs, helping them get new skills' (Sunak, 2021b). The onus is then placed on the individual to take the state-led educational opportunities or to work more to minimise the economic impact of welfare retraction (Coffey, 2021b), emphasising the shift from state responsibility to personal responsibility. These policies, and their discursive framing, echo many of the 'austerity' measures introduced in Britain after the GFC.

Whilst political actors in Britain focus on issues of fiscal sustainability, economic actors focus on curbing rising inflation. For example, members of the Bank of England's Monetary Policy Committee (MPC) have regularly questioned whether the Bank of England should now curtail its quantitative easing programme and raise interest rates to deal with the threat of inflation (Haldane, 2021; Ramsden, 2021; Saunders, 2021). Sunak (2021a) ties the twin crises of COVID-Keynesianism by arguing that 'affordability' pressures will challenge the sustainability of public finances if spending remains high and inflationary pressures compel the Bank of England to raise interest rates.

The broader construction of an inflationary crisis is influenced by fears over changes made to the Bank of England's mandate by George Osborne in 2013 and restated by Sunak in March 2020. These changes permit the MPC to 'temporarily' deviate from 2% inflation targeting because of 'shocks and disturbances' to the economy (Sunak, 2021c, 2) or at times of 'market dysfunction' and 'distress' (Bank of England, 2021, 25). This modification embeds the distinction between 'crisis' Keynesianism to support employment and 'normal' neoliberalism targeting inflation into the operational capacity of the Bank of England. Yet, the House of Lords Economic Affairs Committee (2021, 54) raised concerns that these 'additional rules' risk the Bank 'losing focus on its primary responsibility to control inflation'. Thus, raising fears about the operational independence of the Bank being undermined because of 'political pressure' (ibid., 50) to hold interest rates low to service government debt. This ties with their wider concern that monetary policy, particularly surrounding recent rounds of quantitative easing, is being used to 'finance the Government's deficit' (ibid., 2021, 56) and legitimise increased government spending.

In sum, the fiscal conservatism and inflation targeting solutions proposed by pro-neoliberal policymakers to tackle their constructed crises of COVID-Keynesianism is intended to reorientate the post-COVID British state firmly within the neoliberal economic paradigm.

The German case: solid finances & ECB legitimacy

Germany's neoliberalism has its roots in a longer ordoliberal political economy tradition, with its stability culture (for example Schmidt 2014, 196) and anti-inflation philosophy (for example McNamara 1998), which

significantly shapes the unfolding of the twin-crisis in the German case. By the end of 2021, the German government took on approximately €471bn of debt to deal with the economic consequences of the pandemic (Streeck, 2021, 10). German government debt currently stands at 70% of GDP, which exceeds the 'debt-brake' limit in the German constitution and the 60% limit outlined in the European Union's Maastricht Treaty (Bundesbank, 2021). Keynesian style tax increases to reduce the debt burden were ruled out by the incoming German Finance Minister, Christian Lindner of the Free Democrats (Streeck, 2021). Subsequently, there has been an emphasis on introducing neoliberal-style fiscal spending cuts.

Throughout the pandemic the governing Christian Democratic Union (CDU) claimed the principles of fiscal discipline and low levels of government debt in 'good times' allowed the government to take on debt and introduce COVID-Keynesianism to stabilise the economy (Bundestag, 2020, 20177). The 'debt-brake' is subsequently invoked as a 'decisive tool for discipline', where abiding by neoliberal fiscal restraint allows government debt levels to remain 'sustainable', especially 'in light of the needs of future generations' (Bundestag 2021, 25891). German politicians also call for European Union (EU) member states to adhere to fiscal spending limits outlined in the Maastricht Treaty. In its role as the reluctant hegemon of the EU, Germany 'has to be a role model for debt consolidation', because the EU 'cannot be built on debt and cheap money, but instead stability, second, solidity and third, a common rule book' (ibid, 25891). Thus, refracting German preferences for neoliberal fiscal conservatism to be adhered to across the EU, rather than a widespread adoption of COVID-Keynesianism.

In the German case, the crisis of inflation was primarily constructed as a key issue in the build-up to the 2021 federal elections. Olaf Scholz, the former German Minister for Finance, was widely criticised for adopting policies during the pandemic that stimulated inflation. For example, CDU's economic adviser Friedrich Merz noted that 'inflation has a name – Olaf Scholz', whilst Lindner demanded 'a stop to politically induced inflation' (Streeck 2021, paragraph 11, paragraph 2). The Chief of the German Bundesbank also warned: 'inflation is not dead' (Arnold, 2021, paragraph 5). As the German government has ceded monetary policy decision making to the European Central Bank (ECB), the construction of the inflation crisis is primarily targeted at the EU level, especially as inflation in the Eurozone started to exceed its 2% target. A key example of this is the 2020 ruling by the German Federal Constitutional Court that argued the ECB's quantitative easing programme had strayed into the monetary financing of government spending, which is illegal under EU law and deviates from the ECB's inflation targeting mandate. Although the Federal Constitutional Court overturned this ruling in 2021, the crisis construction of the

central bank's quantitative easing programmes occurred at an early stage in the pandemic.

This crisis of inflation in the German case is constructed in neoliberal terms with a focus on neoliberal solutions, including demands for the ECB to focus solely on its inflation targeting mandate, returning to stricter monetary policy by ending the quantitative easing programme and raising interest rates if necessary. For example, the President of the Bundesbank, Jens Weidmann, prescribed that the ECB's pandemic-related bond purchases be 'reduced step-by-step' (Arnold, 2021, paragraph 1). Whilst the far-right populist *Alternative für Deutschland* uses concerns about inflation to challenge Germany's membership of the EU: 'The [German] government shall not decide EU-corona programmes, from which it receives little benefits, but incurs additional damages due to threatening inflation'. The leader of Bavaria's sister party of the CDU, Markus Söder (2021), proposed the ECB adopt an 'inflation brake' to match the German constitution's 'debt-brake', which would force the ECB to compensate consumers for rising prices and savers for lower returns. This, therefore, constructs a disciplinary legal framework formally reinforcing neoliberal inflation targeting as the primary objective of the ECB.

Overall, we find that German policymakers emphasise re-instating the debt brake, as well as reducing the ECB's bond-purchasing programme, to protect against the constructed threats of rising inflation and fiscal expenditures. This suggests a return to normal ordoliberal-inspired German neoliberalism after the pandemic.

The US case: bidenflation & the Democrats' socialist agenda

We find that political actors in the US Republican Party combine the twin crises of COVID-Keynesianism by attributing rising inflation to Biden's expansive fiscal spending since he came to office in January 2021. The American Rescue Plan Act was the first major piece of legislation announced under the Biden administration, introducing many Keynesian-style policies. The act provided \$1.9tn in support to American citizens, including direct cash payments of \$1400 per person, increased child tax credits, extended unemployment insurance and reduced health care premiums for small businesses. Since these initial reforms, the Biden administration additionally proposed a \$1.75tn reconciliation package to increase welfare, health and education spending and enacted a \$1.2tn infrastructure spending programme to support the economy. These Keynesian-style programmes are highly popular with Biden's Democrat supporters, yet, whilst transport infrastructure spending receives significant bipartisan support, most of these programmes are strongly opposed by Republican voters (Monmouth University Polling Institute, 2022).

The Republican party builds on this partisan divide by adopting a more explicit neoliberal policy stance, problematising fiscal spending. Much like in the British and German cases, there is an emphasis on the sustainability of fiscal spending, with concerns raised about government debt exceeding the Federal Government's debt ceiling. However, uniquely to the US case, the Republican Party describes the fiscal spending by the Democrats as a 'Trojan Horse' for their 'radical' agenda (Banks, 2021a). The policies introduced by the Democrats are described by various Republicans as a 'socialist spending scam' (House Republicans, 2021).

Concurrent with increased fiscal spending under the Democrats, the US inflation rate rose from 1.4% in January 2021 to 5.4% in June 2021 (OECD, 2021). The Republican Party explicitly construct a crisis of inflation by describing it as a 'hidden' form of taxation, as rising prices mean American workers' 'money is worth less and less' (GOP, 2021). The Republican Party have also attempted to bind their twin 'crises' of fiscal spending and inflation. This is described in a Republican Study Committee (RSC) memo that outlines a strategy to 'tie inflation to the Biden economic agenda and explain to voters how inflation is Democrats' hidden tax' (Banks, 2021b). A clear example of this strategy can be observed in a statement from Senate Minority Leader Mitch McConnell (2021):

Americans are feeling real pain because of the inflationary policies Democrats have already rammed through. But the Biden Administration seems to think the cure for this inflation hangover is the hair of the dog: another massive, reckless taxing and spending spree.

This strategy is also evident in the construction of the phrase 'Bidenflation', used by a wide range of Republican political actors, including Republican Leader Kevin McCarthy (2021), on traditional and social media to tie inflation with the Biden administration's 'socialist spending'.

The emphasis on fiscal spending in the Republican construction of the twin crises also demonstrates the distinctiveness of their singular solution. In contrast with the British and German cases, where solutions for rising inflation are directed at central bank action, in the USA the crisis solutions put forward by Republicans instead focus on reversing fiscal spending and rising government debt. In particular, we find proposed solutions to the manufactured crisis of 'Bidenflation' centre on cutting taxes, reducing spending, reforming the welfare system and balancing the Federal budget. For example, the Republican Study Committee (RSC) published a budget proposal that would cut \$14tn in spending, reduce taxes by \$1.9tn, and create a budget surplus, built on the premise that 'resisting efforts to expand programmes that increase dependency is paramount' (RSC, 2021). They argue the budget would 'reform our welfare system... facilitate long term

self-sufficiency and break the cycle of dependency' (*ibid*). Their proposals draw on notions of individual freedom and liberty, contrasting it with the Democrats' Socialist agenda, with statements such as, 'Americans thrive when the federal government cuts both taxes and spending' and 'liberty' occurs 'through deregulation', 'empowerment and self-sufficiency' (*ibid*). The preference for individual liberty is vividly expressed by the Republican Congresswoman Marjorie Taylor Greene (2021), who blew up a car with 'Socialism' written on it to show her desire to 'blow away the Democrats' Socialist agenda'.

The promotion of neoliberal policies, such as tax cuts and fiscal restraint, as solutions to the manufactured crisis of COVID-Keynesianism in the USA underscores how conservative political actors attempt to appeal to voters and motivate a return to the neoliberal policy paradigm.

Conclusion

The COVID-19 pandemic saw the introduction of Keynesian-style policies in Britain, Germany and the USA, to stave off major economic crises. To motivate a return to 'normal' neoliberalism and ensure that COVID-Keynesianism is only adopted as a crisis response to the pandemic, policymakers across the cases constructed crisis narratives around fiscal sustainability and the threat of rising inflation. Fiscal conservatism and a return to inflation targeting are simultaneously offered as solutions to their constructed 'crisis' of COVID-Keynesianism. Whilst each case shares these similarities and their associated neoliberal solutions, these twin crises also have idiosyncratic contextual specificities linked to the national geo-institutional form of policymaking in each case.

British political actors across the spectrum construct a crisis of fiscal sustainability and advocate a return to prudent government spending, demonstrating how deeply the neoliberal emphasis on fiscal conservatism is embedded in Britain. Alternatively, British economic policymakers attribute rising inflation to the Bank of England's expanding remit and call for a return to a narrow focus on neoliberal inflation targeting, restoring its credibility. In Germany, political actors argue fiscal prudence prior to the pandemic enabled increased spending to address the economic issues posed by COVID-19. Subsequently, they advocate a return to fiscal conservatism to develop the fiscal capacity to deal with unexpected economic instability in the future. As Germany has handed its monetary policy autonomy to the ECB, German political actors hold the ECB's monetary expansion programme responsible for rising inflation and demand the ECB re-focus on their inflation-targeting mandate. Finally, in the US case, Republican politicians emphasise how Biden's fiscal spending is unsustainable and construct a specific political crisis by associating it with socialism, which is less politically acceptable in the USA than other Western democracies. Republican political

actors also bind the twin crises of COVID-Keynesianism by holding Biden's fiscal spending responsible for rising inflation, with fiscal conservatism proposed as the main solution to these twin crises. Thus, making it distinct from proposed solutions within Britain and Germany for central banks to re-focus on the technocratic management of inflation.

These findings demonstrate two key contributions by our paper. First, we illustrate how political actors idiosyncratically attempt to influence short-run changes in economic policymaking in different cases. Second, we demonstrate how the overarching continuation of a dominant economic policy paradigm needs continuous legitimation to curtail challenges from alternative economic ideas. This suggests policy paradigms do not exist in periods of equilibrium, but necessitate continuous re-instatement by political actors and legitimisation to the public. These contributions provide a platform for an important future research agenda that examines how economic policymaking continues in the same paradigm diachronically and in different countries, despite the various social, economic and political anomalies arising. More specifically, as there are potentially significant differences in the distributional consequences of both Keynesian and neoliberal policies in each case, developing an understanding of how these policy paradigms map onto different voter preferences and party support patterns could be an important area for further research using large scale survey designs.

Supplementary Material

Supplementary data are available at *Cambridge Journal of Regions, Economy and Society* online.

Acknowledgements

The authors received no financial support for the research, authorship and/or publication of this article. This paper was presented at the 2021 SASE conference and the 2021 workshop from the Cambridge Journal of Regions, Economy and Society on The Regions, Economy and Society in the Post-Covid World. The authors would like to thank the participants, particularly Daniel Béland, Emily Rosenman and Mariely Lopez-Santana, for their insightful comments. All responsibility for any errors and omissions made in this paper must lie solely with the authors.

References

- Arnold, M. (2021) *Bundesbank boss calls on ECB to scale back bond purchases*. Financial Times. Available online at: <https://www.ft.com/content/1e0b2a6b-f562-405a-99b3-3de8201e9da8> [Accessed 05 November 2021].
- Bank of England (2021) *Written evidence (QE10015) quantitative easing inquiry*. Available online at: <https://committees.parliament.uk/writtenevidence/23385/html/> [Accessed 09 November 2021].
- Banks, J. (2021a) *Balance the budget*. RSC Website. Available online at: <https://rsc-banks.house.gov/issue-campaigns/balance-budget> [Accessed 09 November 2021].
- Banks, J. (2021b) *Tie Biden Agenda to inflation*. RSC Memo. Available online at: https://banks.house.gov/uploadedfiles/final_demflation_memo.pdf [Accessed 09 November 2021].
- Béland, D., Cantillon, B., Hick, R., Moreira, A. (2021) Social policy in the face of a global pandemic: policy responses to the COVID-19 crisis, *Social Policy & Administration*, **55**: 249–260.
- Berman, S. (2013) Ideational theorizing in the social sciences since 'Policy Paradigms, Social Learning, and the State', *Governance*, **26**: 217–237.
- Best, J. (2021) Varieties of ignorance in neoliberal policy: or the possibilities and perils of wishful economic thinking, *Review of International Political Economy*, 1–25. doi:10.1080/09692290.2021.1888144
- Blackburn, M. (2021) "What has Biden achieved in his first 100 days? Trillions in government spending funded by a tax hike and a...". Tweet. @MarshaBlackburn (blog). Available online at: <https://twitter.com/MarshaBlackburn/status/1387585551461724161?s=20> [Accessed 08 November 2021].
- Brenner, N., Peck, J., Theodore, N. I. K. (2010) Variegated neoliberalization: geographies, modalities, pathways, *Global Networks*, **10**: 182–222.
- Bryman, A. (2012) *Social Research Methods*, 4th edn. Oxford, UK: Oxford University Press.
- Bundesbank (2021) *German Debt Ratio up in 2020 to 70,0%*. Available online at: <https://www.bundesbank.de/en/tasks/topics/german-debt-ratio-up-in-2020-to-70-0--859958>.
- Bundestag (2020) *Deutscher Bundestag 162*. Berlin: Sitzung. Deutscher Bundestag.
- Bundestag (2021) *Deutscher Bundestag 206*. Berlin: Sitzung. Deutscher Bundestag.
- Burns, C., Clifton, J., Quagia, L. (2018) Explaining policy change in the EU: financial reform after the crisis, *Journal of European Public Policy*, **25**: 728–746.
- Carstensen, M. B. (2011) Paradigm man vs. the bricoleur: bricolage as an alternative vision of agency in ideational change, *European political science review*, **3**: 147–167.
- Carstensen, M. B. and Matthijs, M. (2018) Of paradigms and power: British economic policy making since Thatcher, *Governance*, **31**: 431–447.
- Clifton, J., Diaz-Fuentes, D., Gómez, A. L. (2018) The crisis as opportunity? On the role of the Troika in constructing the European consolidation state, *Cambridge Journal of Regions, Economy and Society*, **11**: 587–608.
- Coffey, T. (2021a) *Appearance at Work and Pensions Committee*. Available online at: <https://www.dailymail.co.uk/video/news/video-2455327/Video-Theresa-Coffey-confirms-20-uplift-Universal-Credit-end.html> [Accessed 20 July 2021].

- Coffey, T. (2021b) BBC Breakfast Interview. Available online at: <https://twitter.com/bbcbreakfast/status/1437311587988221952> [Accessed 20 September 2021].
- Committee for a Responsible Federal Budget (2021) *The Nation's Upcoming Fiscal Challenges*. Committee for a Responsible Federal Budget Website. Available online at: <https://www.crfb.org/papers/nations-upcoming-fiscal-challenges> [Accessed 09 November 2021].
- Committee of Public Accounts (2021) COVID 19: Cost Tracker Update. Available online at: <https://committees.parliament.uk/publications/6953/documents/72750/default/> [Accessed 27 July 2021].
- Corbin, J. and Strauss, A. (2015) *Basics of Qualitative Research*, 4th edn. Thousand Oaks: Sage.
- Culpepper, P. D. and Reinke, R. (2014) Structural power and bank bailouts in the United Kingdom and the United States, *Politics & Society*, **42**: 427–454.
- Davies, W. and Gane, N. (2021). Post-neoliberalism? An introduction, *Theory, Culture & Society*, **38**: 3–28. doi:10.1177/02632764211036722.
- Duménil, G. and Lévy, D. (2011) *The Crisis of Neoliberalism*. Cambridge: Harvard University Press.
- The Economist (2021) What is the Economic Cost of Covid-19?. The Economist. Available online at: <https://www.economist.com/finance-and-economics/2021/01/09/what-is-the-economic-cost-of-covid-19> [Accessed 22 September 2021].
- Elkjær, M. A. and Iversen, T. (2020) The political representation of economic interests: subversion of democracy or middle-class supremacy?, *World Politics*, **72**: 254–290.
- FRED (2021) Federal Debt: Total Public Debt as Percent of Gross Domestic Product. Federal Reserve Bank of St. Louis. Available online at: <https://fred.stlouisfed.org/series/GFDEGDQ188S#0> [Accessed 16 November 2021].
- Gerbaudo, P. (2021) *The Great Recoil*. London: Verso.
- Germann, J. (2014) German “Grand Strategy” and the Rise of Neoliberalism1, *International Studies Quarterly*, **58**: 706–716.
- GOP (2021) “Far Too Many Americans are Still Unemployed. To Make Matters Worse, Families are Facing Rising Prices for Everyday Goods, Which...” Tweet. @GOP (blog). Available online at: <https://twitter.com/gop/status/1423661642517303301> [Accessed 07 November 2021].
- Greene, M. (2021) Win Marjorie Taylor Greene's 50 Cal Rifle! [Online] You Tube. Available online at: <https://www.youtube.com/watch?v=6WurKgebhU&t=2s> [Accessed 23 November 2021].
- Haldane, A. (2021) The beast of inflation is stalking the land again, *The New Statesman*. Available online at: <https://www.newstatesman.com/2021/06/dangerous-moment>.
- Hall, P. A. (1993) Policy paradigms, social learning, and the state: the case of economic policymaking in Britain, *Comparative Politics*, **25**: 275–296.
- Hay, C. (2004a) The normalizing role of rationalist assumptions in the institutional embedding of neoliberalism, *Economy and Society*, **33**: 500–527.
- Hay, C. (2004b). Common trajectories, variable paces, divergent outcomes? Models of European capitalism under conditions of complex economic interdependence, *Review of International Political Economy*, **11**: 231–262.
- Hay, C. (2011) Pathology without crisis? The strange demise of the Anglo-Liberal Growth Model, *Government and Opposition*, **46**: 1–31.
- Hay, C. (2012) Treating the symptom not the condition: crisis definition, deficit reduction and the search for a New British Growth Model, *The British Journal of Politics and International Relations*, **15**: 23–37.
- Hay, C. (2016) Good in a crisis: the ontological institutionalism of social constructivism, *New Political Economy*, **21**: 520–535.
- House Republicans (2021) “Speaker Pelosi, and House Democrats plan to start the floor debate on their Socialist Spending Scam. The left-leaning Tax...” Tweet. @HouseGOP.
- House of Lords Economic Affairs Committee (2021) Quantitative Easing: a Dangerous Addition? Available online at: <https://publications.parliament.uk/pa/ld5802/ldselect/ldeconaf/42/4202.htm>.
- Konings, M. (2010) Neoliberalism and the American State Critical Sociology, **36**: 741–765.
- Lindner, C. (2021) Wir brauchen mehr Freude am Erfinden als am Verbieten. FDP Website. Available online at: <https://www.fdp.de/wir-brauchen-mehr-freude-am-erfinden-als-am-verbieten> [Accessed 17 November 2021].
- Lobao, L., Gray, M., Cox, K., Kitson, M. (2018) The shrinking state? Understanding the assault on the public sector, *Cambridge Journal of Regions, Economy and Society*, **11**: 389–408.
- Manchin, J. (2021) Federal Stimulus Letter. Available online at: https://www.manchin.senate.gov/imo/media/doc/fed_stimulus_letter.pdf?cb [Accessed 17 November 2021].
- Maxwell J. (2010) Using numbers in qualitative research, *Qualitative Inquiry*, **16**: 475–482.
- Mccarthy, K. (2021) “Inflation Skyrocketing Consumer Confidence plunging Yet Biden and Pelosi are Still Scheming to Jam Taxpayers with a \$5 TRILLION dollar...” Tweet. @GOPLeader.
- Mcconnell, M. (2021) “Americans are Feeling Real Pain Because of the Inflationary Policies Democrats Have Already Rammed Through. But the Biden Administration Seems to Think...” Tweet. @LeaderMcConnell (blog).
- Mcnamara, K. R. (1998) *The Currency of Ideas*. Ithaca, NY: Cornell University Press.
- Merz, F. (2021) Merz: ‘Es gewöhnen sich viele daran, nicht zu arbeiten’. Bild Video. Available online at: <https://www.bild.de/video/clip/politik-inland/kurzarbeit-in-corona-zeiten-merz-es-gewoennen-sich-zu-viele-daran-nicht-zu-arbei-73012808-73014686.bild.html> [Accessed 17 November, 2021]
- Merz, F. (2020) Scholz ‘haut zurzeit Geld raus’ Merz kritisiert Finanzpolitik in Corona-Krise. zdf heute. Available online at: <https://www.zdf.de/nachrichten/politik/merz-scholz-staatsschulden-100.html> [Accessed 17 November, 2021].
- Monmouth University Polling Institute (2022) National: Broad Support for Spending Plans. Available online at: <https://>

- www.monmouth.edu/polling-institute/documents/monmouthpoll_us_042621.pdf/ [Accessed 23 March 2022].
- OECD (2021) Inflation (CPI). Available online at: <https://data.oecd.org/price/inflation-cpi.htm> [Accessed 08 November 2021].
- ONS (2021) UK Government Debt and Deficit. Office for National Statistics. Available online at: <https://www.ons.gov.uk/economy/governmentpublicsectorandtaxes/publicspending/bulletins/ukgovernmentdebtanddeficitforurostatmaast/march2021#government-debt> [Accessed 16 November 2021].
- Peck, J. (2010) *Constructions of Neoliberal Reason*. Oxford, Oxford University Press.
- Ramalho, T. M. (2020) The Troika in its own words: responding to the politicisation of the southern European crises, *Journal of European Integration*, **42**: 677–693.
- Ramsden, D. (2021) Navigating the Economy THROUGH the Covid Crisis. Bank of England. Available online at: <https://www.bankofengland.co.uk/speech/2021/july/dave-ramsdens-speech-at-the-strand-group> [Accessed 16 July 2021].
- Rayner, A. (2021) *A Plan for the NHS and Social Care*. London, Hansard, 799.
- RSC (2021) FY2022 Budget. RSC Website. Available online at: <https://rsc-banks.house.gov/reclaimingourfiscalfuture> [Accessed 09 November 2021].
- Ryner, M. and Cafruny, A. (2017) *The European Union and Global Capitalism*. London, Bloomsbury.
- Saad-Filho, A. (2020) From COVID-19 to the end of neo-liberalism, *Critical Sociology*, **46**: 477–485.
- Saldaña, J. (2015) *The Coding Manual for Qualitative Researchers*. London: Sage.
- Saunders, M. (2021) *The Inflation Outlook*. Bank of England. Available online at: <https://www.bankofengland.co.uk/speech/2021/july/michael-saunders-speech-the-inflation-outlook> [Accessed 16 July 2021].
- Schmidt, V. A. (2014) Speaking to the markets or to the people? A discursive institutionalist analysis of the EU's Sovereign Debt Crisis, *The British Journal of Politics & International Relations*, **16**: 188–209.
- Söder, M. (2021) “Es braucht eine Inflationsbremse der EZB und einen Inflationsausgleich. Steigende Inflation ist eine schleichende Enteignung der Bürger. Wir wollen eine...” Tweet. @Markus_Soeder (blog). Available online at: https://twitter.com/Markus_Soeder/status/1440281763498971149 [Accessed 08 November 2021].
- Starmer, K. (2021) *The Road Ahead*. London: Fabien Society.
- Stockhammer, E. (2016) Neoliberal growth models, monetary union and the Euro crisis. A post-Keynesian perspective, *New Political Economy*, **21**: 365–379.
- Streeck, W. (2021) Plus Ça change, *New Left Review*, **131**: 5–13.
- Sunak, R. (2021a) *Budget Speech 2021*. Available online at: www.gov.uk/government/speeches/budget-speech-2021 [Accessed 15 July 2021].
- Sunak, R. (2021c) Remit for the Monetary Policy Committee Letter. Available online at: <https://www.gov.uk/government/publications/monetary-policy-remit-budget-2020>. [Accessed 29 June 2021].
- Sunak, R. (2021b) Rishi Sunak: £20 Universal Credit Top-up Always Temporary. Available online at: <https://www.bbc.co.uk/news/uk-politics-57762272> [Accessed 18 June 2022].
- Thomas, D and Parker, G. (2021) Kwasi Kwarteng Vows to Put Free Market Approach at Heart of UK's Post-Covid Recovery. The Financial Times. Available online at: www.ft.com/content/5845dc75-6f7e-4ba7-9982-e068973d6d42 [Accessed 16 August 2021].
- Toomey, P. (2021) Inflation is Here, and It's More Severe Than Expected. United States Senate Committee on Banking, Housing and Urban Affairs. Available online at: <https://www.banking.senate.gov/newsroom/minority/toomey-inflation-is-here-and-its-more-severe-than-expected> [Accessed 17 November 2021].
- Trecek, J. (2021) German Conservatives Bang the Drum on Inflation — and Voters Shrug. POLITICO. Available online at: <https://www.politico.eu/article/germany-election-conservatives-inflation/> [Accessed 05 November 2021].
- Truss, L. (2021) Chopper's Politics Podcast from the Conservative Party Conference. Available online at: <https://www.youtube.com/watch?v=9zN1mSM9fL0> [Accessed 12 October 2021].
- Wade, R. (2008) Financial regime change?, *New Left Review*, **53**: 5–21.
- Ways and Means Committee (2021) “President Biden's economic policies pay people more to stay home than to fill the now 10M open jobs across the...” Tweet. @WaysandMeansGO. Available online at: <https://twitter.com/WaysandMeansGOP/status/1424833613472862209?s=20> [Accessed 09 November 2021].
- Widmaier, W. W., Blyth, M., Seabrooke, L. (2007) Exogenous shocks or endogenous constructions? The meanings of wars and crises, *International Studies Quarterly*, **51**: 747–759.
- Wood, J. D. G. and Ausserladscheider, V. (2021) Populism, Brexit, and the manufactured crisis of British neo-liberalism, *Review of International Political Economy*, **28**: 1487–1508.