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Saving the dangerous idea: austerity think tank networks in the European Union

Dieter Plehwe, Moritz Neujeffski and Werner Krämer

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ABSTRACT
Austerity has become a key term in economic and social policy debates. Although austerity has been contested both in terms of economic theory and policy-making, it has been remarkably resilient. This resilience has been explained, for example, in structural and institutional terms by the rise of the ‘debt state’. Other explanations have emphasised the strength of austerity ideas rooted in ‘ordo-liberal’ economic theory. Following the insights of science technology scholarship and its emphasis on the social co-production of authoritative knowledge, this article proposes a stronger focus on organisations and their links across nation state borders for an explanation of the stability of austerity capitalism and the thinking underpinning it. The scrutiny of think tank networks, the article proposes, can help bridge the gap between ideational and structural explanations.

Highlights

- While many think tanks which promote austerity perspectives are based in Germany, many more are scattered across the European Union
- Austerity think tanks are common to three centre-right European Parliament political parties and their partisan think tank networks
- Think tank networks provide for ideational and personal links across the centre-right political spectrum
- Transnational interlocks across think tank networks are more common in centre-right groups than in centre-left groups
- Many intellectuals with interlocking positions in two or more think tanks across centre-right networks are also members of the Mont Pelerin Society

KEYWORDS
Think tanks; austerity; network; economics; European Union

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1. Introduction

Economic experts play an increasingly important role in policy-making across the world (Rodgers, 2011). However, politicians find it difficult to decide which kind of economic expertise they can trust. Although economics is frequently said to suffer from ‘group think’, economists come from different schools of thought and engage in substantial controversies. Why certain schools of economic thought emerge from these struggles with more authority – and therefore with more influence on policy-makers – than others is not easily explained. The ‘strange non-death of neoliberalism’ (Crouch, 2011) and the survival of the ‘dangerous idea’ (Blyth, 2013) of austerity despite the Global Financial Crisis of 2007/08 and the ensuing Great Recession, however, are examples which show that some schools of economic thought remain hegemonic despite sustained contestation. Despite significant criticism of the post-crisis emphasis on consolidation of public finances, supply side-oriented austerity perspectives focusing on spending cuts rather than tax increases dominate European public policy-making. Austerity politics can take different forms. For example, austerity can be viewed narrowly as simply a focus on balanced budgets (Anderson & Minneman, 2014). Wider definitions encompass the realisation that austerity politics, since the 1970s, has included concerted efforts to reverse the expansion of the welfare state. Following Evans and McBride austerity today could be defined ‘as (1) comprising fiscal consolidation, (2) structural reforms of the public sector and (3) flexibilization of the labour markets’ (2017, p. 8).

The role of economic experts and their policy advice in how the hegemony of ‘austerian thinking’ has been achieved and maintained has so far not been subject to sufficient systematic scrutiny. Some research points to Germany and to its supposedly monolithic neoliberal economics profession (Matthijs & McNamara, 2015). This view underestimates the diversity among Germany’s economists (Hagemann, 2008) and cannot explain, for example, the support for austerity in the United Kingdom (UK). While Thomas Medvetz (2012) has established the relevance of right-wing think tanks in changing the terms of the welfare state debate in the United States, there is to date no comparable analysis of the European landscape of think tanks. Indeed, a research focus on think tank networks can shed light on the ways in which certain economic and social policy perspectives and expertise become relevant. Empirically, such a focus can provide insight into a broad range of pro-austerity forces – operating within and across national borders – which are responsible for strengthening austerity capitalism in Europe. Theoretically, a focus on think tank networks adds a transnational and organisational dimension to existing theoretical explanations of austerity capitalism. So far most research has emphasised structural and ideational features of austerity regimes, but has paid little attention to the mediating role which organisations have come to play both with regard to the structure-agency puzzle and to the relationship of interests and ideas.

The article is structured as follows. Section 2 outlines two theoretical approaches to austerity politics in order to set the context. Section 3 discusses method and approach underlying the research presented in the article. Contrary to the popular ‘two communities’ perspective of experts and decision-makers (Caplan, 1979), both the links between think tanks and the ties between academic, consulting, media, business and political actors reveal how (austerity) expert knowledge is the outcome of social co-production (Jasanoff, 2006). Section 4 provides the historical context to the present configuration of European austerity capitalism and sets the stage for the following analysis of think tank networks. Section 5
introduces six European foundations and think tank networks created by European political parties since 2010. These networks are analysed with regard to the think tanks that are active in the economic and social policy field. This analysis highlights pro-austerity networks which are part of three centre-right political formations. Section 6 introduces to the analysis two partisan think tank networks on the market-liberal and conservative right end of the political spectrum which also feature pro-austerity perspectives. In combination, the analysis of the five different think tank networks allows making visible a wide range of austerity think tanks in Europe. Section 7 presents a discussion of the results and points to the limits of the research focus on think tank networks. Finally, the conclusion revisits the theoretical controversy on austerity capitalism and the particular relevance of think tank networks in its survival.

2. Explaining austerity: structure vs. ideas?

The advent of austerity capitalism arguably sparked a revival of structural approaches to the study of contemporary international political economy. Wolfgang Streeck has gone further than others to explain the configuration of austerity capitalism by way of pointing to the fundamental contradictions between capitalism and democracy. Streeck empirically traces back the transition from the ‘taxation state’ to the ‘debt state’ to the late 1980s, first in the United States and then in Europe. According to Streeck, in this transition, public debt models and increasing budget deficits give way to private household borrowing and increasing private debt. In spite of the efforts to consolidate public finances, necessary bailouts of financial institutions have led to further public debt and to and inevitable undermining of democratic decision-making. For Streeck, the resulting move since the mid-1970s towards ‘fiscal consolidation’ was underpinned by an ideological shift from Keynes to Hayek. In this context, Streeck makes one of his very few references to the role of experts and ideas in this process as he discusses Friedrich August von Hayek’s 1936 paper on interstate federalism as a blueprint for the later construction of the European Union (Streeck, 2013). Hayek’s ideas amount to a rigid version of competitive federalism allowing negative economic integration, i.e. the removal of obstacles of cross-border economic activity, but undermining positive integration pertaining to fiscal federalism and cross-border solidarity. But Streeck dedicates little space to a discussion of the role and relevance of policy-related research and its producers. His explanation of austerity and the consolidation state relies mostly on the structural and institutional dimensions of capitalist development.

Mark Blyth (2013) takes a different approach and traces the history of the ‘dangerous idea’ of austerity back to the early modern state to highlight the moral dimension of public debt discussions (see also Schui, 2014). Most relevant for today’s age of austerity capitalism are his thoughts on German and also Italian ordo-liberalism and Austrian school of economics. Blyth refers to monetarism, public choice theory and the critique of democracy from a public finance perspective as ‘enablers’ of the austerity project (Blyth, 2013, 152). With the crisis of 2007/08, older forms of austerity policy orientations that relied on incremental change and new instruments were considered insufficient. A regime of permanent austerity and the constitutionalisation of austerity (McBride, 2016) ushered in ‘third order’ paradigmatic change (Hall, 1993).

Blyth offers a very important insight into the history of various intellectual streams of austerity ideas. These are, however, more interconnected than his work captures. It is
important to recognise that the apparently different German, Italian, Austrian, Chicago and Virginia strands of austerity thinking came together in the transnational intellectual circle of the Mont Pelerin Society, founded by von Hayek and others in 1947 (Burgin, 2012; Walpen, 2004). In other words, the ideas examined by Blyth are even more significant for an explanation of the international expansion and variety of austerity capitalism if the transnational networks responsible for generating and diffusing austerity policy are taken into account.

This article proposes that a closer analysis specifically of think tank networks, involved in economic and social policy advice, can shed light on possible patterns and hierarchies of public policy experts and their expertise. Such an analysis helps bridging the gap between the history of economic thought related to austerity ideas and the structural and institutional analysis of austerity capitalism. Ideally, all European think tanks involved in economic and social policy should be examined for such analysis. However, such a systematic study is difficult to undertake due to the significant number of think tanks in Europe. Nonetheless, the analysis, as presented in this article, of all European think tank networks around six European political party foundations (Dakowska, 2009) from left to right and of two further transnational partisan networks with particular relevance to the austerity debate is a first step into the right direction.

3. Think tank (network) studies and research methods

Only recently has the literature on think tanks moved away from a traditional comparative focus on nation states that has characterised the first generation of think tank studies (McGann & Weaver, 2000; Stone, Denham, & Garnett, 1998). Scholars point to the rise of transnational networks of (partisan) think tanks involved in policy research and consulting, both within countries and across borders (Kelstrup, 2016; Plehwe, Walpen, & Neunhöffer, 2006). The internationalisation of policy-making has given rise to an increasingly international supply and demand of policy expertise (Stone, 2013).

In contrast to traditional approaches to the analysis of expert influence in policy-making, think tank studies informed by the ‘argumentative turn’ (Fischer & Foster, 1993) and by science and technology studies (Jasanoff, 2006; Strassheim, 2015) focus on the social and political dimension of knowledge and on the social co-production of expertise. This co-production involves policy experts and actors from political parties, but also actors from non-governmental organisations (NGOs), media and business. From this perspective, think tank experts cannot be simply considered to ‘speak truth to power’ or to ‘bridge the gap’ between scholars and decision-makers. Critical think tank (network) analysis must be aware of the instrumentality of think tanks, expressed in services such as ‘knowledge marketing’ and the legitimisation of certain policy perspectives (Stone, 2007). Medvetz (2012) has provided a historical analysis of the social co-production of knowledge and how specifically think tanks were in the field of welfare state transformation in the United States. The ‘shaping’ of harmful knowledge and knowledge manipulation efforts have been studied with regard to a wide range of environmental, public health and economic policy conflicts (Bonds, 2011; Mirowski, 2013; Oreskes & Conway, 2011). Such concerns over the strategic use of think tanks and ‘evidence’ to undermine solid and un-interested expertise have fuelled the development of the discipline of ‘agnotology studies’ (Proctor & Schiebinger, 2008).

Drawing from the literature on think tank networks, social co-production and ‘knowledge-shaping’, the research presented here applies a specific think tank network studies
approach designed to systematically examine networks of organisations (think tanks and other), individuals (staff and board members) and ideas (normative and cognitive elements of knowledge; see Plehwe, 2015). Such networks can be formal or informal, or both. An analysis of who sits on think tank boards helps to reveal links to other organisations – *inter alia*, universities, corporations, NGOs, political parties, media companies – and thereby allows tracing of (often transnational) expert, consulting, lobby and advocacy networks or TECLANs. In contrast to formal social network analysis, the approach aims at the exploration of large networks. Similar to explanatory social network analysis the aim is to clarify and recognise power positions and relative influence of individual actors such as think tanks and experts. In line with historical social network analysis, think tank network studies aim at the observation of emerging patterns and new social configurations (Padgett & Powell, 2012).

Based on the think tank network studies approach, we assume that relative positions of strength in the academic field and in policy conflicts can be considerably strengthened if they are reinforced by transfer capacities typically supplied by think tanks that link knowledge production, dissemination and policy-making. In the case of austerity expertise, the analytical focus will first be on think tank networks related to the major European political parties. A second focus will be on partisan networks that are prominently involved in efforts to advance austerity perspectives.

The analysis of European think tank networks presented in this article is based on an extensive think tank network database that has been compiled from 2012 to 2015, on the analysis of think tank output to identify economic policy think tanks within the sample in general and think tanks promoting austerity perspectives in particular, as well as three interviews in 2012 and 2013 with think tank network officials at the right-wing New Direction Foundation (NDF), the European Liberal Forum (ELF) and the Green European Foundation (GEF).

4. Contemporary austerity capitalism in historical perspective

Varieties of austerity politics in capitalist political economy have a long history (see Schui, 2014). More recently, austerity politics was systematically employed in the wake of the Latin American debt crisis during the 1980s by way of lending conditionalities imposed by the International Monetary Fund (Blyth, 2013; IMF, 2013). These austerity orientations were subsequently extended to the OECD world. The foundation of the European Monetary Union (EMU) and the European Union (EU) itself was premised on the ‘austrian’ Maastricht Criteria. These stipulated an absolute debt ceiling, a yearly deficit ceiling and low inflation targets (Stützle, 2013). On the basis of these criteria, since 1993, public finances of EU member states have been subordinated to public debt avoidance and reduction – at least in theory. In practice, many EU member states have violated the Maastricht criteria without meaningful consequences. However, such ‘pragmatic austerity’ politics have become subject to considerable controversy after the Global Financial Crisis of 2007/08.

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1 The data capture 190 think tanks from six party foundation networks and 155 think tanks from two conservative-neoliberal partisan networks; see Tables 1 and 4. The source data are available at www.thinktanknetworkresearch.net.

2 For details see below, Section 5.

3 The interviews were conducted leading personnel from the foundations (Tom Miers, executive director NDF; Susanne Hartig, executive director ELF; Pierre Jonckheer, co-president GEF).
When the financial crisis hit, the austerity orientation dominating EU and large parts of the rest of the Western world was suspended for only a short period of time. During 2008 and 2009, governments in North America and Western Europe adopted stimulus plans. These amounted to spending increases of up to 3% of GDP (European Commission-International Institute for Labour Studies, 2011). However, in contrast to the US, the EU and its member states quickly returned to an austerity course that became even more rigid than before the crisis. Here, the ‘bailout’ programme for several member states of the Eurozone proved significant, as did the new economic governance regime adopted following the crisis. This new regime essentially reinforced the Maastricht Criteria to signal the end of the pragmatic austerity regime of the past. The rules laid out in the new regime of European economic governance (Schulten & Müller, 2012) have sought to ‘constitutionalise’ austerity measures, i.e. to enshrine them in national laws (McBride, 2016).

The impact of austerity has been uneven within and across European countries. The South and East have suffered more than the North, and weaker parts of the population have suffered more than those economically better situated (European Trade Union Institute, 2016). Austerity measures were backed by studies claiming the existence of a ‘growth-compatible’ maximum level of public debt (Reinhart & Rogoff, 2010) and that spending cuts have expansionary effects (Alesina & Perotti, 1995). These studies have been rejected, not least because of grave calculation flaws in the former and a biased case selection and interpretation in the latter (Krugman, 2013). Thus, austerity has been criticised not only because it ‘has not worked’, but also because its foundational ideas do not add up (Blanchard & Leigh, 2013; Blyth, 2013; Della Porta, 2015; Schui, 2014). Yet, neither theoretical debates nor empirical evidence have led to a paradigm shift. This observation does not conform to standard ideas of scientific evolution which propose an incremental and paradigmatic knowledge change. Instead, it seems necessary to recognise the existence of competing thought collectives (Fleck, 1980) to explain the co-existence of competing truth claims. To account for the power of thought collectives, however, it is necessary to look beyond the power of (academic) policy knowledge and economic policy discourse. Indeed, the ways in which ideas and expertise become relevant in society in general and in policy-making in particular need to be studied. The central question arising here is how the ‘dangerous idea’ of austerity (Blyth, 2013) has been made immune to criticism, and who ‘feeds’ this idea in Europe? To answer this, policy-related research must be subjected to closer scrutiny.

5. European think tank networks: political party foundations and their think tank constituencies

Think tank networks have sprawled across Europe after the creation of EMU in 1993. A core driver of the proliferation of European networks of think tanks was the expansion of majority voting in the European Council and the extension of the co-decision procedure in the European Parliament to an ever-wider range of policy fields (Fligstein & McNichol, 1998; Kelstrup, 2016). An additional impulse for the formation of formal networks was provided by the European Commission. In response to the growing legitimacy concerns of the EU in the early 2000s, funding was provided to the parties in the European Parliament to set up ‘European political party foundations’. Since European parties – which, in the European Parliament, are composed of the member state parties of the same party family – lack financial and organisational resources for long-term thinking, political party foundations were
hoped to provide the right vehicle to leverage pro-European ideas and programmes from within the parties (Dakowska, 2009). Thus, since 2009, all European political parties with sufficient representation in the European Parliament have the right to establish a European political party foundation.

The European party foundations have differing modi operandi (Gagatek & Van Hecke, 2011). For example, the Green European Foundation concentrates on organising seminars on European topics not covered by their national partner organisations. The European Liberal Forum concentrates on citizenship-oriented training efforts and the coordination of its members. The New Direction Foundation (NDF) promotes European-level campaigns on the benefits of the free market, while the Transform Network of the European Left commits energy to campaigns against free trade agreements. The Social Democratic and Conservative Foundations are, financially speaking, the most powerful organisations as they are associated to the largest European parties. By 2017, six European political party foundations and think tank networks have been funded by the EU, covering the political spectrum from left to right with the exception of the most recent ultra-right European Alliance for Freedom party foundation (see Table 1).

Despite their differences, the six European party foundations share one characteristic. They all operate in conjunction with a think tank network constituted of institutions both from EU member states and from beyond.

For the research presented here, the output of all 190 think tanks was scrutinised to single out all publications relevant to the theme of ‘austerity’ for the period after the Global Financial Crisis (2012–2015). This includes blogs, policy papers, speeches and videos dealing with questions of public finance, economic and social policy-making. If organisations’ output undoubtedly promoted pro-austerity perspectives, they were considered part of an ‘austerity network’. Additional selection criteria were employed to increase the level of certainty with regard to the inclusion in the austerity network. The publications were required to (a) put forward a meta-theoretical defence of austerity, (b) propose austerity policies which were consistent with the general orientation of the think tank’s output and (c) to boast high-level authorship. Within the total of 190 think tanks belonging to six networks, 21 austerity think tanks were identified as associated to the networks of New Direction Foundation (NDF), Centre for European Studies (CES) and European Liberal Forum (ELF), respectively. These think tanks ranged from big German party foundations like the state-funded Christian Democratic Konrad Adenauer Stiftung and the Social Democratic Friedrich Ebert Stiftung to small organisations such as Estat.cz in the Czech Republic. Table 2 provides an overview of the number and share of austerity think tanks in the six networks studied.

<table>
<thead>
<tr>
<th>Political party foundation</th>
<th>European political party</th>
<th>Think tank population</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Direction Foundation (NDF)</td>
<td>AECR (Conservatives and Reformists)</td>
<td>27</td>
</tr>
<tr>
<td>Wilfried Martens Centre for European Studies (CES)</td>
<td>European People’s Party</td>
<td>30</td>
</tr>
<tr>
<td>European Liberal Forum (ELF)</td>
<td>ALDE (Liberals)</td>
<td>38</td>
</tr>
<tr>
<td>Foundation for European Progressive Studies (FEPS)</td>
<td>Socialist &amp; Democrats</td>
<td>51</td>
</tr>
<tr>
<td>Green European Foundation (GEF)</td>
<td>European Green Party</td>
<td>17</td>
</tr>
<tr>
<td>Transform!</td>
<td>European Left Party</td>
<td>27</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>190</td>
</tr>
</tbody>
</table>

Source: own compilation based on data from 2015, details online at: www.thinktanknetworkresearch.net
The data show that austerity think tanks are exclusive to the liberal and conservative and centre-right political spectrum in Europe. None of the centre-left party-related think tanks featured austerity perspectives in their published output between 2012 and 2015. The finding that 21 think tanks on the centre-right promote austerity perspectives may not be considered sufficient evidence for the prevalence of austerity in the New Direction Foundation (NDF), Centre for European Studies (CES) and European Liberal Forum (ELF) networks. However, there are surprisingly few think tanks in these centre-right networks that ‘do economic policy’. When they have such a specialism, without exception they promote pro-austerity perspectives. These austerity think tanks thus should be considered as crucial organisations providing core expertise on economic policy-making from within the centre-right party foundation networks. As only a relatively small number of such think tanks could be identified, some of the EU member states do not host any of them at all, as Table 3 shows.

Only eleven out of 28 EU member states host austerity think tanks connected to the European party foundations. Italy, France and the UK do not host a single one while

<table>
<thead>
<tr>
<th>Think tank</th>
<th>Network</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austrian Economics Center</td>
<td>NDF</td>
<td>Austria</td>
</tr>
<tr>
<td>Hayek Institute</td>
<td>NDF</td>
<td>Austria</td>
</tr>
<tr>
<td>CEDER Study Centre of CD&amp;V</td>
<td>MC</td>
<td>Belgium</td>
</tr>
<tr>
<td>Institut Economique Molinari</td>
<td>NDF</td>
<td>Belgium</td>
</tr>
<tr>
<td>Wilfried Martens Center for European Studies</td>
<td>CES</td>
<td>Belgium</td>
</tr>
<tr>
<td>Adriatic Institute for Public Policy</td>
<td>NDF</td>
<td>Croatia</td>
</tr>
<tr>
<td>Estat.cz</td>
<td>NDF</td>
<td>Czech Republic</td>
</tr>
<tr>
<td>Liberalni Institute</td>
<td>NDF</td>
<td>Czech Republic</td>
</tr>
<tr>
<td>Hanns Seidel Stiftung</td>
<td>CES</td>
<td>Germany</td>
</tr>
<tr>
<td>Institute for Free Enterprise</td>
<td>NDF</td>
<td>Germany</td>
</tr>
<tr>
<td>Konrad Adenauer Foundation</td>
<td>CES</td>
<td>Germany</td>
</tr>
<tr>
<td>Friedrich Naumann Foundation</td>
<td>ELF</td>
<td>Germany</td>
</tr>
<tr>
<td>Forum for Greece</td>
<td>ELF</td>
<td>Greece</td>
</tr>
<tr>
<td>Wetenschappelijk Instituut voor het CDA</td>
<td>CES</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Fundacja Industrial</td>
<td>ELF</td>
<td>Poland</td>
</tr>
<tr>
<td>Fundacja Klub Obywateleski</td>
<td>ELF</td>
<td>Poland</td>
</tr>
<tr>
<td>Conservative Institute of M. R. Stefanik</td>
<td>NDF</td>
<td>Slovakia</td>
</tr>
<tr>
<td>Civismo</td>
<td>NDF</td>
<td>Spain</td>
</tr>
<tr>
<td>Fundacion para el analisis y los estudios sociales (FAES)</td>
<td>CES</td>
<td>Spain</td>
</tr>
<tr>
<td>Galician Society for Freedom and Democracy</td>
<td>ELF</td>
<td>Spain</td>
</tr>
<tr>
<td>Captus</td>
<td>NDF</td>
<td>Sweden</td>
</tr>
</tbody>
</table>

Source: own research based on think tank websites: http://thinktanknetworkresearch.net/wiki_ttni_en.

Table 2. Austerity think tanks within European party foundation networks.

<table>
<thead>
<tr>
<th>Political party foundation (n = 190)</th>
<th>Population</th>
<th>In AN*</th>
<th>In AN* %</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) New Direction Foundation (NDF)</td>
<td>27</td>
<td>10</td>
<td>37%</td>
</tr>
<tr>
<td>(2) Centre for European Studies (CES)</td>
<td>30</td>
<td>6</td>
<td>20%</td>
</tr>
<tr>
<td>(3) European Liberal Forum (ELF)</td>
<td>38</td>
<td>5</td>
<td>13.1%</td>
</tr>
<tr>
<td>(4) Foundation for European Progressive Studies (FEPS)</td>
<td>51</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>(5) Green European Foundation (GEF)</td>
<td>17</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>(6) Transform!</td>
<td>27</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>(7) Total</td>
<td>190</td>
<td>21</td>
<td>11%</td>
</tr>
</tbody>
</table>


Table 3. European party foundation austerity think tanks.

The data show that austerity think tanks are exclusive to the liberal and conservative and centre-right political spectrum in Europe. None of the centre-left party-related think tanks featured austerity perspectives in their published output between 2012 and 2015. The finding that 21 think tanks on the centre-right promote austerity perspectives may not be considered sufficient evidence for the prevalence of austerity in the New Direction Foundation (NDF), Centre for European Studies (CES) and European Liberal Forum (ELF) networks. However, there are surprisingly few think tanks in these centre-right networks that ‘do economic policy’. When they have such a specialism, without exception they promote pro-austerity perspectives. These austerity think tanks thus should be considered as crucial organisations providing core expertise on economic policy-making from within the centre-right party foundation networks. As only a relatively small number of such think tanks could be identified, some of the EU member states do not host any of them at all, as Table 3 shows.

Only eleven out of 28 EU member states host austerity think tanks connected to the European party foundations. Italy, France and the UK do not host a single one while
Germany, Belgium and Spain are strongly represented. If we consider the CES and the ELF foundation networks only, then six countries with austerity think tanks remain (Belgium, Germany, Greece, Netherlands, Poland and Spain).

Germany is a special case in this group. It is home to four of the 21 austerity think tanks listed in Table 3, and the three national party foundations are much larger organisations than the other member organisations of the party foundation networks. Because the German foundations have offices in many European states, their reach and potential influence within Europe is more transnational than that of think tanks lacking comparable capacities.

Almost half the austerity think tanks in the foundation networks are linked to New Direction Foundation. The formation of the new European political party ‘Alliance of Conservatives and Reformists’ in 2009 as a splinter party of the mainstream conservative ‘European People’s Party’ was a consequence of a particular concern with austerity, which at the same time appears to be shared to a certain extent by the members of the conservative Centre for European Studies and of the liberal European Liberal Foundation. While the three centre-right think tank networks overlap when it comes to the austerity ideas they promote, there are few institutionalised personal relations between them, as the social network analysis of staff and board members shows. Two results stand out related to, first, links across networks and, second, to links within each individual network.

Firstly, only two individuals cross the networks of the Green European Foundation and the left Transform! Foundation, and only four individuals provide links between the conservative Center for European Studies Foundation and the right wing New Direction Foundation (see Table 7 in Annex – additional material online only). The latter can be considered surprising since many of the NDF affiliates used to be a part of the larger mainstream conservative camp. The near complete lack of personal linkages in centre-left think tanks deserves further scrutiny. The absence of links between think tanks across the left-right divide is less surprising. Only one individual could be found who has worked both as an expert for a think-tank related to the right-wing New Direction Foundation and the Social Democratic foundation. Individuals linked to the Liberal Foundation network are not active in think tanks that belong to other groups.

Secondly, only the Social Democratic think tank network and the New Direction Foundation network of market-liberal/conservative think tanks display a high number of interlocks within the network. The New Direction Foundation network in particular is closely interlinked by a large number of individuals who serve on two or more think tanks in different countries (Plehwe & Schlögl, 2014). This finding is an indicator of the degree of transnational integration of think tank networks. In terms of interlocks, the think tanks of the Green, Left, Conservative and Liberal networks display links to their own European Party foundation only, which seems to indicate a vertical and multi-national mode of organisation.

6. European partisan networks: Stockholm network and European ideas network

In addition to the think tank networks related to party foundations, two European think tank networks can be expected to prominently promote austerity perspectives. The first is the pro-market Stockholm Network, founded by Helen Disney in Britain in 1997. It has facilitated connected more than 100 organisations from across the EU and has coordinated
Joint events such as the ‘European Resource Bank’ meetings. While the umbrella think tank Stockholm Network ceased publishing in 2010 when Disney left the organisation, it still has a presence and should be best considered a virtual network. Its members continue to be active – the next European Resource Bank meeting is to be held in Prague in 2018 – and many think tanks in this network pursue similar activities such as the ‘tax freedom day’ or contribute to the Economic Freedom of the World Index (Plehwe & Schlögl, 2014). Among the joint initiatives which emerged out of the Stockholm Network is the ‘nanny state index’ and the most recent ‘authoritarian populism index’ (Fischer & Plehwe, 2017). The second network to be discussed here is the European Ideas Network. It was created in 2002 by conservative Members of the European Parliament (MEPs) who wanted it to promote ‘new thinking on the key challenges facing the […] EU’. It comprises 45 think tanks that provide an ‘important meeting-point and intellectual cross-roads for the centre-right in European politics’ (EIN, 2018). Stockholm and EIN networks thus emerged before the creation of the European political party foundation networks.

Given the overlapping membership between both networks, there is an expectation that between them a stronger degree of transnational integration exists compared to the party foundation networks. Table 4 provides an overview of the two networks and the share of austerity think tanks in each of them.

Relative to the number of think tanks in each of the eight networks considered in this research, EIN has the largest share of austerity think tanks (43%) followed by NDF (37%), the Stockholm Network (34%), ELF (15,8%) and CES (13%). Thus, we find a markedly higher share of austerity think tanks in the two partisan think tank networks and in the most right-wing network of the party foundations. This seems to indicate that austerity is of greater concern for the partisan networks and for the NDF party foundation network than for the mainstream conservative and liberal party networks.

The larger number of austerity think tanks in the Stockholm and EIN networks also translates into a wider distribution across EU member states (see Table 5). In addition to the eleven countries with austerity think tanks from the ranks of party foundation networks we find eight countries with austerity think tanks from Stockholm and EIN: UK, France, Italy, Slovenia, Rumania, Lithuania, Denmark and from outside the EU, Switzerland. Many of the think tanks in these countries are members of both networks. France with four and both UK and Italy with five members are now strongly present on the austerity think tank map, though Belgium (7) and Germany (11) show the highest concentration.

Looking at the think tank networks of the party foundations only, there is limited overlap between right-wing NDF and the mainstream conservatives. Does the picture change once the Stockholm Network and EIN are taken into account? Table 6 provides an overview of cross-memberships of the different centre-right networks.
### Table 5. Geographical distribution of Stockholm Network and EIN members.

<table>
<thead>
<tr>
<th>Country</th>
<th>Stockholm network members</th>
<th>EIN members</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>Austrian Economics Center</td>
<td>EIN, European Enterprise Institute</td>
<td>1</td>
</tr>
<tr>
<td>Belgium</td>
<td>EIN, ECipe, Institut Economique Molinari, Institute Thomas More, Ludwig von Mises Institute Europe, Work for All</td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>Croatia</td>
<td>Adriatic Institute for Public Policy</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Czech Rep.</td>
<td>Liberalni Institute, Centre for Economics and Politics (CEP)</td>
<td>EStat.cz</td>
<td>3</td>
</tr>
<tr>
<td>Denmark</td>
<td>The Copenhagen Institute</td>
<td>The Copenhagen Institute</td>
<td>1</td>
</tr>
<tr>
<td>Italy</td>
<td>Magna Carta Foundation, Instituto Bruno Leoni, Istituto Acton, Fondazione Repubblica</td>
<td>Centro Tocqueville Acton, Fondazione Respublica, Magna Carta Foundation</td>
<td>5</td>
</tr>
<tr>
<td>Lithuania</td>
<td>Lithuanian Free Market Institute</td>
<td>Wetenschappelijk Instituut voor het CDA</td>
<td>1</td>
</tr>
<tr>
<td>Netherlands</td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Rumania</td>
<td>Romanian Center for European Policies</td>
<td>Romanian Center for European Policies</td>
<td>1</td>
</tr>
<tr>
<td>Slovakia</td>
<td>Institute for Economic and Social Reforms (INEKO), Conservative Institute of M. R. Stefanik</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Slovenia</td>
<td>Joze Pucnik Institute</td>
<td>Joze Pucnik Institute</td>
<td>1</td>
</tr>
<tr>
<td>Spain</td>
<td>FAES, Civismo</td>
<td>FAES</td>
<td>2</td>
</tr>
<tr>
<td>Sweden</td>
<td>Timbro, Captus</td>
<td>Timbro</td>
<td>2</td>
</tr>
<tr>
<td>Switzerland</td>
<td>Liberales Institut</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>UK</td>
<td>Policy Exchange, Reform, Reform Scotland, Civitas, Centre for Policy Studies (CPS)</td>
<td>Policy Exchange</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>17</td>
</tr>
</tbody>
</table>

Note: Bold: members in both networks.
A significant number of think tanks of the centre-right party foundation networks are members of the EIN and the Stockholm Network. The mainstream conservative think tanks overlap strongly with the European Ideas Network while many of the New Direction Foundation members also populate the Stockholm Network. Only European Liberal Forum does not overlap with Stockholm and EIN.

While it is not surprising that CES members are also part of the EIN due to overlapping groups of patrons such as conservative MEPs, many of the austerity think tanks of the EIN are not part of the official party foundation network of the CES. The EIN in fact appears to be geared more strongly to neoliberal perspectives than the political party foundation network of the mainstream conservatives. While few of the CES members are also part of the Stockholm Network, no less than 18 think tanks of the Stockholm Network are also members of the EIN.

A social network analysis of staff and board members yields further results (see Table 7 in Annex – online only), as more than 700 interlock positions within the network formed by 311 individuals are discovered. In other words, each individual holds two seats on average. However, some few individuals hold far more than two seats. With positions held at nine think tanks, the German philosopher and think tank veteran Hardy Bouillon is the individual who has the largest number of interlocking positions. He is followed by Leonard Liggio, Jürgen Donges and Karen Horn. All are members of the Mont Pelerin Society (Fischer & Plehwe, 2017; Walpen, 2004, compare Table 8 in Annex – online only).

In terms of staff and board member interlocks, the two partisan networks studied are similar to NDF and FEPS, but denser than the Transform!, Green European Foundation and Centre for European Studies networks. As a result of the personal interlock structure of the Stockholm, EIN and NDF networks, which account for the majority of austerity think tanks, austerity-related expertise as well as activities and discourses like the opposition to Eurobonds could be coordinated across borders (Plehwe, 2017).

7. Integrated analysis: the austerity think tank network

When all results are combined, Figure 1 shows that the austerity think tank network comprises members of three centre-right party foundation networks and two conservative-neoliberal partisan think tank networks. In the Figure, the size of the circle corresponds to the size of the think tank network.

In contrast to the formal membership networks from which the think tanks come, the austerity network is a virtual network characterised by the principled defence and promotion of austerity. The cosmos of centre-left party foundations is fully detached from that of austerity think tanks. On the right, all networks overlap. This is also reflected in the number

<table>
<thead>
<tr>
<th>Political foundations</th>
<th>Stockholm network membership</th>
<th>European ideas network membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Direction Foundation (NDF)</td>
<td>10</td>
<td>2</td>
</tr>
<tr>
<td>European Liberal Forum (ELF)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Centre for European Studies CES</td>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>11</td>
<td>13</td>
</tr>
</tbody>
</table>

Source: own research based on think tank websites: http://thinktanknetworkresearch.net/wiki_ttni_en/index.php/Category:Think_Tank_Network
of interlocking staff or board memberships in centre-right networks. The strong overlaps between NDF, Stockholm and EIN are evidence for a struggle within the conservative mainstream between the supporters of close cooperation, in the European Parliament, with Social Democrats and other centre-left actors and those who want to forge an alliance against the centre-left. The formation of the Stockholm and EIN networks precede the founding of the NDF, which lends previously existing conservative and neoliberal perspectives a stronger political significance.

While the networks related to the political party foundations are operating separately from each other, the partisan think tank networks provide space for actors to engage with each other across party lines on the right-wing of the political spectrum (See Figure 2 in Annex – online only). While the liberal, mainstream conservative and new right-wing conservative-neoliberal parties differ in many regards, they are closely aligned in terms of their austerity-focused economic and social policy perspectives. While partisan think tank networks such as the Stockholm Network are not directly involved in electoral competition for office, they can provide space for politics beyond parties with the hope to align perspectives across party lines.

In addition to the strong overlap with regard to austerity ideas, think tanks related to the partisan networks and to the New Direction Foundation also rely on a large number of shared activists from staff and board. Many of the individuals who serve on two or more think tank boards belong to the Mont Pelerin Society. Mont Pelerin Society membership is therefore a good predictor of both austerity perspectives and involvement in the coordinated cross-border diffusion of ideas.

The analysis of the austerity think tank network fosters cognisance of the social forces in support of austerity across a number of countries, all located on the centre right-wing of the political spectrum, stretching from liberals to conservatives and neoliberals. But the analysis also raises questions because the distribution of austerity positions is not as clear-cut
along the left-right divide as the analysed data suggest. For example, Germany’s Social Democrats embraced the debt break mechanism in 2009 in exchange for the stabilisation of Germany’s fiscal equalisation regime between the federal states (Bundesländer). The support for austerity perspectives of a political party and the lack of related expertise supplied by its party foundation and related think tanks suggests that other sources of expertise have to be considered in order to more fully explain the strength of austerity thinking.

One example is the ‘Agenda 2010’ welfare state reforms developed and implemented by the German Government, led by the Social Democratic Party in the early 2000s. The government advisor central to their development was Peter Hartz, a Social Democrat, member of IG Metall trade union and executive officer of Volkswagen, who was called to head an expert commission. As Pautz (2012) has shown, the experts involved in the Hartz Commission were based in academic and consulting circles (University of Potsdam, Wissenschaftszentrum Berlin, McKinsey, Roland Berger), and were strongly supported by the Bertelsmann Foundation think tank. Neither of these actors belonged to the conservative-neoliberal networks analysed for this article. At least the question of who promotes pro-austerity perspective to Social Democratic leaders cannot be answered by studying the networks covered in this article. Leading Social Democrats in Germany can use expertise from the Friedrich Ebert Stiftung think tank. However, they also can turn to advice from experts who belong to their personal network – e.g. experts in federal state-level governments where Social Democrats hold office – or they may see as trustworthy the opinions of prominent experts even if these are not associated with their party. These and possibly other options need to be subject to closer qualitative studies.

What can be said of the importance (in terms of recognition) of the think tanks studied in the sample here? Of the 57 austerity think tanks, we find 14 in McGann’s, 2015 survey of ‘most important think tanks’, which does suggest they are not marginal. Global or European rankings at the same time tell little about national recognition of the smaller think tanks, of course. While the big German foundations are well-known beyond the home country, this is not necessarily the case for many other think tanks.

The limitation of the focus on networks studied here is nevertheless evident once the example of Germany is considered. No doubt, the list of members of the austerity network established so far is impressive. Germany has a larger number of austerity think tanks than any of the other countries and they are among the largest think tanks in Europe. Yet, there are a number of other think tanks in Germany that too would qualify as members of the austerity network. Among these are the Aktionsgemeinschaft Soziale Marktwirtschaft, Econwatch, Wilhelm Röpke Institute, Familienunternehmer and Deutsches Institut der Wirtschaft. However, they are not in the European networks examined above. Additionally, a number of academic think tanks have hosted prominent (public) intellectuals who have staunchly defended austerity principles – for example Hans Werner Sinn of the IFO institute. Lastly, in Germany’s key economic advisory institution, the German Council of Economic Experts, pro-austerity positions are well-represented (Heise, 2017; Pühringer, 2015).

8. Conclusions

This article has provided evidence for the transnational composition of a virtual network of austerity think tanks. It is made up of member think tanks of the networks of the mainstream conservative political party foundation, the Centre for European Studies, the mainstream
liberal party foundation, European Liberal Forum and in particular of the New Direction Foundation on the right. Many of these think tanks are also part of the neoliberal Stockholm Network and the European Ideas Network. Austerity think tanks are more numerous in the European partisan networks on the right, which preceded the formation of the European political party foundation networks. Altogether these forces account for a large part of the expert communities which support and promote austerity.

While the German share in the networks studied is stronger than that of any other EU member state, German economists cannot alone be responsible for the hegemony of austerity perspectives in the EU. The strongest support for austerity within the New Direction Foundation network has been orchestrated without a German political party foundation, for example. The German partner in this network is only a small think tank. There is no doubt that the support of austerity comes from many think tanks in many European countries and the think tank network analysis outlined in this article indicates that the UK, Spain and Sweden are strong nodes in the European pro-austerity networks.

The lack of austerity think tanks in the Social Democratic and Green party foundation networks suggests a need to identify further significant expert sources in order to explain support for austerity perspectives from Social Democratic and Green parties. Further empirical analysis should look elsewhere, too, in order to fully appreciate the forces behind the austerity message. Future analysis of the networks of intellectuals and think tanks behind austerity needs to add relevant organisations that are not part of the think tank networks investigated here, such as business association think tanks and academic institutions. A stronger focus on relevant individuals and authors in particular will help to further clarify the links between academics, think tank professionals, journalists, business leaders and political leaders complicit in austerity politics.

Theoretically, the findings of this article underline the need to take transnational networks and organisations into account to explain austerity capitalism. After all, both structural dimensions of globalised capitalism and powerful austerity ideas matter while they do not directly determine the evolution and struggles over austerity policies. Process-oriented studies are required to trace the formation of preferences and policies. This article suggests a need to take the interplay of party-related networks and partisan networks into account. Austerity perspectives and political positions change over time, of course, which requires attention to emerging configurations like the transnational European think tank networks. Last but not least, competing perspectives to that of austerity should be studied more thoroughly as most movements generate counter-movements.

**Disclosure statement**

No potential conflict of interest was reported by the authors.

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