Changing Norms of Social Reproduction in an Age of Austerity

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This paper argues that the concept of social reproduction not only is useful in understanding the gendered impact of austerity, but also is central to understanding the processes that led to the imposition of austerity. It argues that the conditions that gave rise to the development of European welfare states’ contributions to social reproduction were undermined by the growth and increasing dominance of globally mobile financial capital. This was because finance capital has no interest in supporting the reproduction of any national working class, but rather an interest in individualising responsibility for social reproduction to ensure households become customers for its products.

The financial crisis provided an opportunity for neoliberal governments, supportive of finance capital, to further that agenda by imposing austerity in order to change the social norms of social reproduction. Public expenditure cuts and falling real wages should not therefore be seen as unfortunate side effects of austerity policies, but a measure of their success in achieving neoliberal objectives. That success has been made possible, at least in part, by the high levels of insecurity consequent on austerity policies leading to working class quiescence.

A measure of the success of any transition to such a new neoliberal mode of social reproduction will be the extent to which responsibility for falling standards of living is successfully individualised onto care recipients and their families. However, since engagement in the market cannot meet all social reproductive needs the tension that lies at the heart of capitalism between capital accumulation and sustainable forms of reproduction will inevitably reappear in new forms.

Key words: gender, care, social reproduction, austerity, neoliberalism

Introduction

It is well known that women have suffered disproportionately from the imposition of austerity measures (WBG, 2016). This unequal gender impact has been noted not only about the austerity measures introduced in European economies since the financial crisis (Bargawi et al., 2017; Bettio et al., 2013; Karamessini and Rubery, 2014; Women’s Budget Group, 2016), but also about those imposed
through neoliberal policies much earlier in many other parts of the world (Elson, 2013; Lethbridge 2012; Young, 2003).

The concept of social reproduction has been usefully employed to explain the differential gender impact of austerity. Broadly, the term "social reproduction" was intended to encompass all activities that result in a society being reproduced; not just the reproduction of the people in it but of the social relations in which they are situated (Marx, 1976). Feminist economists have noted that many accounts of how the capital-labour relationship is reproduced, including Marx’s own, fail to mention the range of social relations involved directly in the reproduction of human beings and their labour-power (Bakker and Gill, 2003). The term “social reproduction” has consequently been appropriated by feminists to mean precisely what the Marxist tradition until recently tended to leave out. In particular, feminist economists point out that the reproduction of people requires not only consumption but also the different forms of care needed at various stages of the life course. These are provided in a variety of institutional forms, including by public, private for-profit and private non-profit providers, involving both paid and unpaid labour. Nevertheless, even in heavily capitalist economies the vast majority of care is provided outside the wage-labour relation, mainly in the family (Rasavi, 2007). A notable feature of care is that responsibility for its provision and much of the labour directly involved tends to be allocated to women, both within the family and elsewhere. As a result, care responsibilities structure women’s lives more than men’s (Bakker and Gill, 2003) with implications both for the amount of time men and women devote to employment and for their incomes over the life-course. The gendering of care extends to the paid labour force too, where occupations that involve care tend to be dominated by women, with low wages in caring occupations making a large contribution to many countries’ overall gender pay gap (Budig & Misra, 2010).

The unequal gender impact of austerity is a direct result of women’s greater involvement in social reproduction. Specifically, it results from women’s greater dependence on the welfare state, the branch of the state that contributes to social reproduction. Cuts in welfare state provision have affected the public services on which women depend, their incomes and their employment prospects. Many public services substitute for some of women’s unpaid caring activities and women are more likely to be employed by the state, so that cuts in public services result in fewer jobs and more unpaid work for women, restricting their employment opportunities. Because of women’s greater involvement in social reproduction, in particular their lives being more structured by caring responsibilities, they are also more dependent on social security benefits. This is obviously true for benefits designed to support caring activities, but is also true for means-tested income support more generally, because women’s incomes and pensions are on average lower than men’s, and women’s lower incomes are often the result of employment, currently or in the past, being disrupted by caring responsibilities. This well-understood feminist account accords a central role to the concepts of social reproduction and caring in explaining the gender effects of austerity. However, this account does not in itself provide any explanation of why we have had austerity. It is the contention of this paper that the concept of social reproduction is central to understanding the motivations and processes that led
up to the imposition of austerity. This requires recognising the longer-term structural transformation in the welfare state’s contribution to social reproduction brought about by financialisation, the growing power of financial capital, and its political expression in neo-liberalism. Such tendencies were in place long before the 2008 financial crisis and indeed contributed to that crisis.

The plan of this paper is as follows. The next section will outline why the provision of care is a fundamental aspect of social reproduction and how social norms governing its provision have been changing with important economic effects. The following two sections will consider first the class forces behind historical changes in the welfare state’s contribution to social reproduction and care, and then the specific impact of neoliberal policies and financialisation. In this light, the following section will propose a new interpretation of austerity before the final section concludes.

Social Reproduction and Care

Care is an integral part of social reproduction. Children need someone to give birth to them, feed, shelter and clothe them and teach them how to function in society, keeping them safe as they learn how to do so. And adults have care needs too if, for reasons of disability or increasing frailty with age, they do not have the full set of capabilities needed to function in society and require care services to enable them to live what is considered an acceptable life in that society.

Social norms about when care is required depend on socially determined notions of what capabilities people need; these vary greatly across societies and even for different people within the same society. Similarly, how different types of care are provided by different sectors of the economy has seen many changes historically and varies substantially across societies. Rasavi (2007) characterises a society’s provision of care by a ‘care diamond’ across four sectors: household (family), private (for-profit), state (public) and community (non-profit) as in Figure 1.

![Figure 1 The care diamond](source: Himmelweit (2009) based on Rasavi (2007))
Social norms may make some ways of providing care more acceptable than others, though such norms also adapt to changing practices. Much social policy is about the relative size of the contributions of each of these sectors and who receives the care each sector provides but, as we shall see, policy can also impact on the overall size of the care diamond, that is on the amount of care that is provided overall and its quality. At any point in time, a society’s total provision may or may meet the totality of care needs recognised by current social norms.

Traditionally, the market’s main role in social reproduction was not to provide care or other reproductive services, but to provide material necessities as commodities, including food, clothing and sometimes housing, and the jobs that allowed those commodities to be purchased with the wage. Traditionally reproductive services, including care, were provided unpaid within the family and the community more generally, although there has always been some waged labour involved in care, employed by rich families, for example, or by charitable institutions.

Exactly how this traditional picture has changed has varied greatly across even quite similar economies. However, in all advanced capitalist societies, the use of paid care has grown greatly in scale and scope in the last fifty years, initially usually employed by the state, non-profit sectors or through direct employment by families. More recently private for-profit providers, often dominated by large scale corporations and chains, have become some of the largest employers of care-workers and have come to dominate the industry in many economies. Care, broadly defined to include “activities such as childrearing, childcare, health care, elder care, social work, and education” is the fastest growing industry in all developed economies, and even by 2000 one-fifth of all paid workers in the USA were employed in care services (Folbre and Nelson, 2000; Folbre 2006). It is also one of the worst paid industries, with workers often employed on non-standard “flexible” contracts. Not surprisingly in a fast growing industry this has generated severe recruitment and retention problems in many countries.

Some paid care workers are employed directly for the care recipient for whom they care. Others are employed by “care providers”, many of which are small firms, some in the non-profit sector. But in many countries providers are increasingly large, financially geared corporate operators. In the UK three of the biggest five chains operating in the residential care home market are owned by private equity with a business model based on high returns and cash extraction, exploiting complex multi-level financial structures and using tax havens to minimise tax liabilities. These businesses are heavily loaded with debt and structured in such a way as to minimise losses at liquidation should those debts prove unserviceable (Burns et al., 2016). While creditors would recoup some losses, it would be the care home’s residents and the state that would ultimately pay the cost of failure.

Not surprisingly the phrase “too big to fail”, previously used to summarise the moral hazard issues generated by size in the banking sector, has also been applied to the care sector. Moral hazard refers to the tendency for insurance against failure to lead to less effort being put into avoiding it. Complex financial structures and high gearing, based on the knowledge that the public sector would in practice pick up at least some of the costs of failure, takes risks with care “recipients” futures and
generates a similar moral hazard issue to that of the banking sector.

Nevertheless, it remains the case that in all countries, the majority of care is still provided unpaid within families, and largely on the basis of gender norms that allocate such activities to women. It is not that men do not care, but rather that gender norms tend to allocate such work to women whenever there is a woman available, and particularly wherever caring impacts on employment prospects. So while mothers are far more likely to be the main carers of their children than fathers, men after retirement are just as likely as women to care for their spouses.

Paid care work is also largely allocated to women, which in itself is insufficient to explain the care penalty that reduces the pay in caring occupations relative to occupations requiring similar qualifications. Such a penalty is found in the wage rates paid to care workers in many, but not all countries (Budig and Misra, 2010). One interpretation is that gender norms affect how caring occupations are valued even beyond the gender of the workers in them; so that the undervaluation of care could outlast gender segregation in the industry.

In the US and the UK, and increasingly in other European countries, the care industry has been able to rely on a supply of badly paid workers, employed under poor conditions, whose skills, learnt in the home or on the job, largely go unrecognised. However, recruitment and retention difficulties in the industry may be rendering these conditions unsustainable. And gender norms with respect to care may be changing more generally as women enter the labour force in increasing numbers and the opportunity cost of unpaid care increases (Himmelweit & Land, 2008). By relying on gender norms that are rapidly becoming outdated, it is doubtful whether existing systems of care provision would have proved sustainable, even if the financial crisis had not derailed them.

The welfare state

The welfare state is the part of the state that contributes to social reproduction; it can do so directly by the provision of public services (for example, as in the public sector component of the care diamond) or indirectly by financing service provision by private sector providers. The state can finance care provision either by directly contracting with private sector providers (non-profit or for-profit), or by financing the purchase of care services by care recipients or their families. The welfare state may also indirectly contribute to social reproduction by supporting unpaid family provision, through income replacement benefits to carers and paid parental and carers’ leaves, as well through the regulation of both service quality and employment conditions so as to improve employees’ ability to combine employment with unpaid care.

The state’s contribution to social reproduction has been termed the “social wage” by analogy with the wage that workers receive from their employers. Rather than being paid as the wage is by individual capitalists, the social wage is paid through the state, and in a Marxist account indirectly by “capital in general” that represents those interests of the capitalist class that require collective action. The contribution to social reproduction made through employment under unregulated capitalist
competition is inherently insecure, because capitalist employers must continually cut costs and, unless individually particularly enlightened, will pay as low wages and make as few commitments to its workforce as they can get away with. But such a race to the bottom causes problems with both working class consent and its social reproduction, and may also threaten inadequate aggregate demand.

Historically, the development of European welfare states was based on an attempt to mitigate these problems by rising above the interests of individual capitals in order to appease working class dissatisfaction, promote a fit and healthy national work force and generate sufficient demand for its products. Some provision for social reproduction, for example in the development of pension systems and other social insurance systems, and some protective labour legislation was brought in in the early twentieth century well before working class organisation became a strong force in most European countries. Many employers saw the need both to improve the quality of their workforce and to combat socialist ideas, against which Arthur Balfour, an early twentieth century British prime minister, claimed social legislation to be “the most effective antidote” (Wahl, 2011).

Subsequently, the foundations of modern European welfare states were laid during and immediately after the Second World War with the direct involvement of working class parties, when politicians of all parties, concerned to avoid a similar recession to that after the First World War, were open to adopting Keynesian policies. The rapid growth of welfare state provision during the long post-war boom was based on a recognition of shared interests of capital and labour in the social reproduction of a national working class.

This class compromise required the existence and political influence of a national capitalist class that made its profits through employing workers within that country, and therefore had an interest in their social reproduction. It was that interest that led to the development of state funded housing, national education, health and care systems, providing the vital services that contribute to social reproduction for which the wage system and the family does not adequately cater and could be better provided collectively. It also led to some employment regulations and in particular to the public sector becoming a better practice employer, in particular because it needed to recruit employees from among the growing numbers of women seeking employment by providing employment that could be combined with caring responsibilities.

It is important to recognise that such state support augments and underpins but is never designed to replace either the wage system or unpaid family care, which remain the key institutions of social reproduction in a capitalist economy. Shifting perceptions of the roles of those two institutions have been key in shaping welfare state policy. A shortening of parental leave and increased provision of childcare, for example, as happened in Germany in 2007, was a policy designed both to both improve care for young children and to produce a shift in welfare state support from incentivising family provision towards encouraging women’s increased employment. This is an example of how the contribution of the welfare state can both expand the care diamond and shift the balance between different sectors represented in it.

Thus the welfare state did not challenge the dependence of the working class for its social
reproduction on the wage system and on unpaid family care. However, it did enable the collectivization of some risks across individuals and across the life course. Compulsory insurance through the welfare state could provide for risks and varying needs over the life-course far more efficiently than voluntary private insurance could ever do. This greater efficiency of compulsory insurance is due to eliminating the possibility of adverse selection, whereby if people are free to choose whether or not to take out insurance, individuals' private knowledge of their own risks means that only those who consider insurance at current premiums to be individually worthwhile will take it up. This renders any charging regime potentially ruinous for insurers, who do not have the same knowledge of individual risks as their customers. Only compulsory insurance, such as that provided by state welfare systems, avoids adverse selection as well as enabling the pooling of differing risks across individuals.

Further, the growth of the welfare state contributed massively to changing gender relations. Its provisions enabled the male breadwinner/female model to be eroded by shifting some family contributions to social reproduction to other sectors, relieving some of the unpaid time that (largely) women spent on it. Doing so both enabled women to enter the labour market and provided many of the jobs they took, with women remaining more likely to be employed in the public sector than men in nearly all countries. The growth of the welfare state was thus a major contributor to increasing gender equality in the second half of the twentieth century.

The class compromise that led to the development of the welfare state was not automatic; it depended on a number of factors that were in place to differing extents in most European countries in the post Second World War period. These factors included the recognition by both labour and capital that as classes they have shared interests in social reproduction that are best met collectively. Labour movements have varied across Europe in the extent to which they have supported the social wage, as collective provision for social reproduction, or have focused more narrowly on improving the pay and working conditions of their members. Capital’s willingness to support collective provision depends, among other factors, on how dependent it is on any particular national working class, or whether it can pick and choose where to employ workers to make its profits; mobility and the possibility of outsourcing and offshoring in a globalising world reduces capital’s dependency and hence undermines its support for collective provision.

The relative powers of capital and labour and how they can be exercised is also influenced by global international conditions. How these are interpreted is one factor influencing whether national policy focuses more on short-term competitive pressures by driving down wage rates and reducing taxes on capital or, alternatively, on improving the conditions of social reproduction to build the economy’s long-term competitiveness. Broadly, Western European welfare states were and still are more in favour of collective provision than the United States, but within Western Europe there is considerable variation. On one end of the European spectrum is the UK, with its long history of capital mobility, outsourcing and immigration through the British Empire and Commonwealth, that created a labour movement that was relatively quiescent politically and a classic liberal Anglo-Saxon "safety-net" welfare state (Esping-Andersen, 1990). At the other end there are the far more generous
and inclusive social democratic Scandinavian welfare states, built on strong labour movements and
an initial reluctance to let immigration dilute relatively homogenous and cohesive populations.

**Financialisation**

The term “financialisation” has many definitions and many ways of being measured, but what is relevant to this paper is the growing power and importance “of financial markets, financial motives and financial actors in the operations of the economy” (Epstein, 2005) and corresponding influence over economic policy through the adoption of neo-liberal policies (Palley, 2007). It has entailed not only the growth of the financial sector but the increasing domination of the activities of non-financial sectors of the economy by financial motives and transactions in pursuit of “shareholder value” (Lapavitsas 2014). In Marxist terms it has meant that the interests of finance capital have come to be the expression of the interests of all capital, both in terms of ideology and policy, with the term “neo-liberalism” given to both (Dumenil & Levy, 2004).

During the 1980s, the growing power of internationally mobile finance capital resulted in the election of governments fully or partially espousing neoliberal programmes to deregulate capital and destroy working class organisation. This happened first in the UK and the US, with the election of the Thatcher (1979) and Reagan (1980) governments, but their programmes were internationally and nationally influential, with many countries and other parties, even those of the left, adopting significant parts of the neoliberal agenda.

Finance capital makes nothing in itself, but makes its profits from those of other capitals. It is therefore not dependent on the size or health of its own workforce. It employs relatively few workers and so their consent and cooperation can easily be bought with higher salaries. Even in the UK, considered to be one of the economy’s most dominated by finance, the highest ever proportion of the UK’s workforce employed by the financial sector was 4.4% in the last quarter of 2007 just before the financial crash (LFS, 2016). However, the financial sector provided 11.5% of government revenue (partly because of the high salaries paid) giving it a greater influence on government policy than its share of employment might suggest (PricewaterhouseCoopers, 2014).

Unlike industrial capital, finance capital has no stake in the conditions of social reproduction of whatever country it chooses to pay its taxes. In its attempts to extract maximum profits, the collective costs of social reproduction are an unnecessary expense. As financial motives came to dominate the management of non-financial firms, similar attitudes and practice came to prevail throughout, leading to real wages failing to keep up with productivity growth and working conditions becoming more precarious as the profit share rose (Lazonick, 2012). This was supported by a range of policies in both the US and the UK to destroy working-class organisation and undermine labour rights, including some set piece confrontations with organised labour in the 1980s (Glyn, 2007; Deakin & Wilkinson, 1991; Campbell & Bakir, 2016).

At the same time the compromise on which the welfare state is based was eroded. Finance
capital's almost infinite mobility gives it the power to choose where to locate, including to shelter in tax havens, and this in turn undermines governments' abilities to raise revenue through corporate taxation and progressive income tax. Indeed, finance capital has an interest in undermining collective provision for social reproduction, because many financial services, such as mortgages, insurance and particularly types of savings products, are required when individuals and households are left to make their own provision. Its potentially lucrative markets in these areas are unlikely to develop in the face of inherently more efficient collective provision (Barr, 2012).

Starting in the 1980s, alongside deregulation and tax cuts, governments introduced neoliberal policies to dismantle the welfare state and shift the provision of social reproduction from the state to the market and the family, by recommodifying labour-power through workfare type programs, and by imposing vicious sanctions on those who fail to adapt to the new regime (Peck, 2001; Roberts, 2016). Typically, such “welfare” reforms were imposed through a redesign of the benefits system, as in Germany and the UK, nominally to recommodify labour and incentivise employment for all—although in practice, in the UK at least, an unwillingness to fund welfare sufficiently left some, such as second earners under the reformed Universal Credit system, facing even higher employment disincentives than before (Adam & Browne, 2013; Hansard, 2011; WBG, 2015).

Neoliberal restructuring also entailed the individualisation of rights and responsibilities for care (Bakker, 2003; Bezanson and Luxton, 2006; Bakker and Silvey, 2008; LeBaron and Roberts, 2010). Public services were privatised, both by direct tendering to private contractors by the state and by the replacement of the right to public services by individual budgets or cash payments to be used by service recipients to contract with their own providers. Any method of privatisation enables expenditure to be cut by shifting costs onto workers, initially through enabling private sector working conditions to be imposed on what had been a public sector workforce, and eventually through non-standard casualised contracts coming to dominate the sector. Individualised budgets, whether paid in cash or managed by local authorities, can also reduce expenditure by paying less than required to meet needs, leaving recipients to manage any shortfall, and by failing to uprate budgets in line with rising costs (Brennan et al., 2012).

Such reforms have also restricted eligibility for state support for social care, at least for adults, and left more individuals needing to cover all or part of their own care needs. This has resulted in an increase in unpaid care by family members and in the use of purchased care services, in some cases to top up those paid for by the state. Policies have been designed specifically to encourage individuals to provide for their own needs through insurance and other financial “products” (Fligstein & Goldstein, 2015).

Such financial products also enabled household to go into debt, so that debt securitisation has completed what Adrienne Roberts (2016) calls the “financialisation of social reproduction”. The reproductive capacities of families are thus increasingly dependent on their purchase both of financial products and of care. And as the providers of care have become larger and more concentrated, they too have provided profitable opportunities for finance capital through complex financial gearing.
(Burns et al. 2016). In other words, care has become increasingly dependent on households’ direct and indirect engagement with the global financial system. Lending to firms has not constituted the main business of banks and other financial intermediaries during the neoliberal era; lending to households has become a far more important source of their profits, with mortgage lending, a clear link with social reproduction, leading the way. This has been argued by some to constitute a shift in finance capital’s mode of surplus appropriation (Bryan et al., 2009).

This also entailed a change in social norms, towards an individualisation of responsibility and risk. Reproductive needs were to be met by “responsibilised” households making their own investment decisions, for example, on housing and pensions, and meeting care needs by services purchased from private sector. People would no longer rely on the state to help them cope with varying needs over the life-course but would instead purchase financial products to shift income streams over time and protect against the risks of social reproduction. For those who could not afford or were too imprudent to cover their own risks on the market, reliance on private debt and unpaid family labour was seen as preferable to the public debt that increased state spending might entail.

Those whose needs could not be met in this way might still receive some unreliable and residual state support, but that they had so transgressed neoliberal social norms by needing such support meant that almost any conditions, however dehumanising or punitive, could be imposed on them. Such generally lowered expectations of welfare state provision and acceptance of more individualised responsibilities is clearly in the interests of global finance capital, which is more interested in engaging with individuals and families as potential customers of their products than as potential workers.

Neoliberalism’s attack on the welfare state was therefore based on a rejection of any notion of shared national interest in social reproduction by an increasingly financialised and thus internationally mobile capital. Such capital had itself no interest in the social reproduction of any particular national working class, but instead an interest in promoting new opportunities for global finance capital, including working class households’ engagement in the market for financial services. This attack on the welfare state was underway long before the financial crisis.

The financial crisis and austerity

The financial crisis provided the opportunity to further that agenda. High fiscal deficits and the threat of large interest rate spreads led to the successful presentation of fiscal consolidation via cuts to state spending as all that “the markets” would support.

Countries chose (or were forced to adopt) neoliberal policies that entailed further cuts in the role of state in social reproduction. In the UK, cuts in social housing continued to be implemented by a conservative-led coalition government that relied on rising asset prices to stimulate the economy. It showed itself more concerned to find ways to enable potential home buyers to enter a rising market, ways that simply pushed prices up further and fuelled the languishing mortgage market, than to tackle the crisis of homelessness that rising rents and falling incomes had caused.
This is just one example of the ways in which, after the financial crisis, many governments and international institutions subordinated the social reproduction of the working class to the interests of finance capital, and policies conducive to its reproduction dominated those that might have helped economic growth or increased employment. Austerity was presented as a way of overcoming “the” crisis through fiscal consolidation, but with no shared understanding of what that crisis constituted. In such a context, austerity’s lack of success in reducing deficits or in generating anything more than anaemic growth across Europe and most of the centres of finance capital should lead us to question whether either deficit reduction or growth generation should really be seen as the underlying aim of neoliberal governments.

That governments gave priority to reducing spending even while un- and under- employment rates were high suggests that reducing unemployment cannot have been the main aim. Indeed, it suggests a quite different interpretation of austerity— along the lines of “Never let a good crisis go to waste”— in which working class insecurity provided a favourable climate to pursue quite different policy objectives. In the aftermath of the crisis, sizable government deficits combined with high rates of unemployment to allow policymakers to attempt to push norms of social reproduction in a more individualistic direction, consistent with neo-liberalism. In other words, the vulnerability of the working class during a period of high unemployment was used to continue undermining the norms of social reproduction. Norms were pushed further down the low road of reduced expectations with respect to both living standards and collective responsibility for their provision. In the US 60%, and in Europe 64%, of people questioned in a 2014 global attitudes survey believe that today’s children, when they grow up, will be worse off financially than their parents (Pew Research Survey, 2015) and another survey found some groups to be even more pessimistic (Inquirer, 2016).

Real household incomes fell for a considerable period in most states that adopted fiscal consolidation policies. In the UK by the time of the 2015 election, the majority of the UK population has suffered from a fall in their living standards during the previous government’s term of office, with “only the richest appearing] to have escaped” (PSE, 2015). More significantly, austerity policies resulted in falls in the social wage, through cuts in both social security benefits and public services. Previous levels of service provision were argued to be "unaffordable", and heavy emphasis was put on individuals and families being required to provide for their own needs, through the purchase of appropriate financial products or by drawing on family support. Working class living standards, via falls in both real wages and the social wage, fell precipitously; falls in the “share of labour” were much greater than the usual statistics show because these do not take into account the reductions in living standards due to cuts in public services. Again some groups were particularly affected. Figure 2 shows the value of projected cuts in public services to different (gendered) types of households over the period of the coalition government 2010-2015.

As can be seen, the households most severely impacted are those that are currently, or whose members have been, most closely involved in social reproduction. These are the households with
children (who all lost over 5% of their living standards from cuts in social services alone), and female lone pensioners, who lost nearly 4% of living standards that were already low often as a result of interruptions in their employment due to caring activities the past. Taking account of tax and benefit changes as well as public services cuts, and projecting already announced cuts by the current conservative government, the cuts in living standards will be even deeper, with those of female lone parent households predicted to fall by 21% in the decade to 2020, and of female single pensioners by 20% (WBG, 2016).

Such changes were legitimised by the successful use of the trope that market “discipline” was needed to reduce “wasteful” spending on public services and “welfare.” Its intent was to responsibilise individuals into taking employment, however poor quality, and households into making financial provision for their own social insurance and care needs.

The continuation of austerity conditions has enabled such policies to be normalised, with the fallacious household analogy that nations, like households, should not live beyond their means gaining hegemonic power with surprisingly little resistance from mainstream social democratic parties. That budget deficits were an indication of excessive costs of the welfare state was successfully presented as common sense. That families should be doing more to provide for their own needs underpinned the argument that the fiscal deficit could and should be reduced, with collective struggles over the welfare state replaced by individual creditor–debtor relations (Roberts, 2016).

Conclusion

The argument of this paper is that the dominance of finance capital has undermined both the ability and the will of governments to support social reproduction. This is because the global mobility of finance capital gives it no interest in supporting the reproduction of any national working class and the power to refuse to finance it. Rather its interest is in individualising responsibility for social
reproduction to ensure households become customers for its products. The financial crisis provided an opportunity for neoliberal governments to further that agenda in support of finance capital, by imposing austerity to change the norms of social reproduction.

Austerity has been presented by such governments, and the EU, as the means to overcome the effects of the financial crisis through fiscal consolidation, to be achieved mainly through cuts in public services and social security. However, these measures have lacked success in meeting even their own stated aim of deficit reduction. Any recovery has generated either few jobs (in many European countries and the US) or very poor quality jobs (in the UK). Certainly labour market outcomes are worse for the working class than would have been expected without the austerity measures.

Instead this paper would argue that both the labour market outcomes and the public expenditure cuts should not be seen as unfortunate side effects of austerity policies, but a measure of their success in achieving neo-liberal objectives. That success has been made possible, at least in part, by the high levels of insecurity consequent on austerity policies leading to working class quiescence.

The financial crisis may have enabled transition to a new neo-liberal mode of social reproduction of permanent austerity, made possible by lowered expectations of welfare state provision and the imposition of more individualised responsibilities for social reproduction. A measure of the success of this transition will be the extent to which responsibility for falling standards of living is successfully individualised onto care recipients and their families.

But all that can happen is that the "tension that lies at the heart of capitalism between capital accumulation and sustainable forms of reproduction" may be temporarily resolved in a reformed neoliberal consensus (Roberts, 2016). However, the tension will inevitably reappear in other forms because, with increasing inequality, engagement in the market cannot meet all social reproductive needs. The alternative is reliance on unpaid labour, but this itself, and the gender norms that support it, are being rendered unsustainable by that very emphasis on engagement in the market (Himmelweit and Land, 2008).

Further, neoliberal hegemony seems itself under threat from a number of directions as I write at the end of 2016. Both left and right have tried to galvanise support from those "left behind" by globalisation by arguing that investment is needed to generate jobs and raise productivity. Few, however have argued for public investment in care, education and health, forms of social infrastructure that would contribute to social reproduction. This is despite research showing that such investment would be about twice as effective in generating employment and significantly more effective in generating growth and reducing deficits than the typical investment in construction usually suggested as an economic stimulus (De Henau et al., 2016). But an assault on neoliberalism that leaves its transformation of social reproduction intact is unlikely to prove either popular or sustainable.
Bibliography


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