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## **The field of European economic governance and austerity policies (2010-2015): first drafts**

Didier Georgakakis and Frédéric Lebaron

Five years after fiscal-consolidation policies began to be implemented in the euro area, the facts are ruthless. The GDP growth rate in the euro area has been extremely low since 2010. The unemployment rate continued to rise until 2014 and is still very high. Poverty and economic inequalities have increased. Trust in the institutions and subjective wellbeing have both deteriorated.

And yet these consequences of the policies of rapid budgetary consolidation had been predicted at the beginning of 2010, when they replaced the stimulus plan that had followed the 2008-2009 global economic and financial crisis. In 2008, many observers in fact thought that the end of 2000 had marked a 'lasting paradigm change' to neo-Keynesianism and that EU policies would just have to make do with it. Seven years later, this paradigm change can hardly be said to have truly occurred. Measures were taken (support for Greece, institution of the European Stability Mechanism, quantitative easing), but extremely progressively and incrementally, with EU policy basically remaining in strong continuity with the original paradigm.

How do we explain that the advisability of pursuing a new policy was so rapidly shut down? How do we explain the strong continuity of the former paradigm and the rather marginal adjustments it underwent?

To understand, we would like to outline an analysis of the field of economic policy as a power and playing field and space where various actors are fighting for the structural logics of reproduction and transformation of the global economic and social order to be materialized, and simultaneously as the space where institutional constraints structure these policies.

The concepts of field and social space (Bourdieu, 2000; Bigo, 2008; Fligstein and McAdam, 2012; Georgakakis, 2012; Swartz, 2013; Lebaron and Le Roux, 2013; Lebaron and Le Roux, 2015) seem indeed to us sufficiently heuristic to get rid of two current intellectual reflexes in connection with austerity policies. One consists in seeing them as just the mechanical and uniform expression of the internal logic of financialised capitalism, which neglects macroeconomic and social objectives to the advantage of purely financial objectives (re-establishment of the banking system and of profits); if this were the case, it would be hard to understand the divergence between the euro area and the United States or even Great Britain since 2010, given that these two countries are at the cutting edge of financialisation dynamics. The other consists in seeing them as a combined effect of the inflexibility of the institutional rules in force and of Germany's domination, which does not in fact make it possible to understand the 2008-2009 opening or the conditions under which the European Central Bank (ECB) deviated from the model. Although the assumption of Germany's domination is not, as we will see, to be excluded, its mainsprings still need at least to be analysed (what is meant by domination, to whom is it addressed and by what means) in a context where Germany is neither a single actor, nor is it alone, nor is it in a monopoly situation, at least not necessarily.

Although the concept of field does not exclude the existence of objective economic trends or the legal-institutional constraints of euro-area operations, it begs a theoretical construction of the

correlation of forces and of meanings at work by 'going down' to the level of the individual and collective actors making up the 'committees', 'councils' and other decision-making bodies in charge of the governance of the euro area or of steering it in the context of contemporary financial capitalism, namely the European Council and the Eurogroup, the Governing Council of the ECB, the Commission, the 'Troika' (hence also the Board of Governors of the International Monetary Fund – IMF), national governments, the European Parliament, national parliaments, the Court of Justice of the European Union, etc.

The idea is then to establish the topography of these actors, their dispositions and their resources to grasp the relational dynamics (including the dynamics of inertia and of change) at work in the shaping of policy choices. In this case, one of the essential conditions of the deafness to economic alternatives shown in this field seems to us to be the product of strategies developed under a structural constraint marked by two elements not very present in the debate and sometimes counterintuitive.

In the first place, and even though we can legitimately think that policy changes have been numerous and that national responses to the crisis take place according to different modalities depending on national economic variations and situations, the field of European economic governance actually shows relative stability. Although in the crisis process it has grown stronger compared to other fields, to the point of seeming to be today at the core of the European system, this is mostly because a whole set of actors and positions built well before the crisis has been consecrated. In the second place, and rather counterintuitively, the field of European economic governance outlines a structure ultimately dominated by staff strongly involved in policy and administrative issues, and much less by pure and purely 'liberal' economists. This dual structure seems to us to explain both the political conservatism that has led to consolidating the austerity paradigm (in other words, this hard core is ultimately quite impermeable to warnings issued from the field of economists, all the less so that it built its strong position on the political embodiment of a 'rigorist' compromise) and, simultaneously, the variations from the institutional standard that the more economist actors of the field were authorized to take and in particular those of the central bank. To put it differently, the standpoints and political lines (maintaining the essence of the paradigm, the ECB's careful exit from the strictly institutional framework) into which the economic and policy changes have been translated since 2010 seem to us to have been largely forced by a compromise between the two fractions of the field and the balance that holds them together.

To show this, the following work is limited to presenting part of an ongoing research project. After having clarified the perspective that aims to move from classic institutional-type reflection to reflection in terms of field, it proposes a first modalisation on part of the space.

## **I. From institutional dynamics to the field of economic governance**

The compromise through which the euro policy was built was rapidly integrated into an austerity paradigm (Jabko, 2005; Savage, xxxx), which incidentally was institutionalized in rules and instruments very early on. But it could simultaneously be thought that there was not necessarily anything final about this and that things would be called into question when the first crisis occurred. This is in fact what many of the political elites thought (on this point and Mitterrand's promise to Delors, see Varoufakis, xxxx), as well as many intellectuals focusing on neo-institutionalist theories of paradigm change, all the more so that these rules were relatively

flexible. The economic situation and simultaneously the variations between the different countries changed significantly, but instead of leading to reviewing the original compromise, this translated into a reinforcement of the original paradigm. Although it cannot be denied that the genesis of the euro continues to weigh on the compromise and the beliefs at work in the field of European economic policies, to understand this we need to take into account at the same time the singular dynamics that have played out since 2010, in particular around the reinforcement of the relative autonomy and the power of this field.<sup>1</sup>

### *Overall institutional dynamics in Europe*

Management of the economic crisis since 2008 and especially since 2010 has indeed marked an important stage in the process of redefining and distributing power among the bodies and the actors in charge of the European Union, even though in some respects it prolongs the former dynamics.

Although all of the ongoing research relating to the changes caused by the economic 'crisis' situation has yet to be published, recent reviews and international congresses make it nonetheless possible to draw their main lines.<sup>2</sup>

At the political level, the European Union is coming out of the crisis more fragmented, and the divide between the member states of the euro area and the others appears to have never been so deep. The political weight of the ECB and its President has grown, including at the public level, as the embodiments of an authority become impossible to circumvent.

Intergovernmental mechanisms seem to have triumphed due to the increased importance taken by the European Council and to the central role of the Eurogroup. Nevertheless, the Commission has also acquired new and important management competences by becoming the body controlling the national budgets and because of the automatic installation of sanctions under the Treaty on Stability, Coordination and Governance (signed in 2012). New bodies have been formed. Other institutions seem to have been relegated instead, such as the European Court of Justice and the European Parliament, which though certainly not absent from the economic debate, found it hard to have their own positions.<sup>3</sup>

Even though the new vehicles (such as among others, the European Financial Stability Facility, the European Stability Mechanism and the banking union) were set up in an emergency situation, they have since been institutionalized in the form of new rules and ultimately increased the importance of the 'power of Europe' and even constituted an additional step in European political and economic integration. This is however a very specific form of integration, one amounting not to a spectacular 'leap' in budgetary integration with the institution of a 'transfer union', but to a reinforcement of the constitutional requirements constraining the member states.

Although these findings are useful from a general point of view, they tend to harden, hence to reinforce, after the fact, institutional borders that might have on the contrary been considered not that significant in the development of the processes of response to the crisis. By focusing on the question of which institution won and by using – implicitly and without taking any distance from them – the most classic categories of the study of European policies (intergovernmentalist method versus Community method, and henceforth versus European method), these analyses are not only likely to be deprived of observing not only what was being played out among the main actors outside of the inter-institutional struggles themselves, but also, and more so, that

which triggered the tipping points of the policies being led, to the point of delivering this thesis of a strengthening of the 'power of Europe', which is vague, to say the least.

### *Dynamics of the field of Eurocracy*

When considering these tipping points as much as the relative routinisation of the modalities of crisis management at the European level, the determining factors seem less connected to the play of institutional competition than to alliances among actors and institutions that were strengthened in the field of Eurocracy, and more specifically in the subfield of European economic policy, the relative position of which was also reinforced.

Their effect has been to constitute a hard core of actors cutting across the various institutions, whose grounds of authority owe much less to the represented peoples or member states than to other forms of legitimacy, first among these a mainly economic, financial and banking expertise, and – more or less strongly depending on the position in the field – a national economic credibility measured in terms of the rankings awarded by credit-rating agencies or European and international organizations.

From this point of view, whereas the theses underscoring the domination of the 'Frankfurt Group' seem to be a symptom of this reality, they are likely to minimize the importance of the vaster network of the actors involved not only in the new institutions, but also in a subfield of European economic power, the structure of which has changed.

We thus observe a powerful upswing of the subfield of economic governance within the field of Eurocracy, and this process owes a lot to the coagulation of resources more diversified than usually believed, since they are related to experience as much in the European institutions or the banking system, as in high national 'financial' public office (such as ministries of the economy, finance and industry, and central banks) or in the very internationalized academic world of economics. These are thus characterized by a conjunction of multiple forms of capital accumulated in individual trajectories, but also through the regrouping of coherent and complementary 'profiles', which when 'agglomerated' are likely to produce effects within the field of Eurocracy.

These resources cut across the main institutions of the subfield constituted by the ECB (or more precisely the European System of Central Banks), the Commission's DG for Economic and Financial Affairs (ECFIN), the IMF (these three entities constituting the three pillars of what was called the 'Troika' in the context of the programmes required from the countries under adjustment), national ministries of finance and, of course, the governments themselves, starting with their 'financial' cluster.

The crisis reinforced in all the governments the domination of ministries and ministers of finance, already prominent but made more so in the context of financial speculation and the (new) rise in power of credit-rating agencies. Finance ministers are the agents of state credibility vis-a-vis the market players forcing upon them a sort of permanent 'discipline' through their credit-agency ranking and their interest rates on government securities. Their profiles (distinguished into three groups: academic, political-administrative and more obviously financial) seem to bring them closer and closer to central-bank leaders, and circulation among the various functions seems to have become more important since 2010.

The euro-area crisis has made state credibility, hence that of national governments, central to the stakes involved by making relationships among them evolve, notably to the advantage of the

German government and its close 'allies' (The Netherlands, Finland and Austria), or more precisely of its 'financial' cluster, henceforth structurally in a strong position, backed by the Bundesbank's orthodox position, as main 'creditor' of the indebted states.

The crisis has reinforced the position of the ECB leaders and, to a lesser extent because it does not have as much operational incidence in financial matters, of DG ECFIN vis-a-vis the governments and finance ministers. This increase in power has resulted among others in the ECB's participating in the rescue schemes for indebted states under so-called 'Troika' missions in Ireland, Greece, Cyprus and Portugal, and in its entry into the public debate in Italy. It has also translated, under institutional innovations in the governance of the euro area, into the ECB's becoming the regulator and the armed branch of the banking union, presented as one of the main institutional responses to the crisis.

In parallel, the crisis has upset the correlation of forces within the ECB to the detriment of the Bundesbank and to the advantage of positions closer to the dominant national governments, putting its Governing Council in a central position in European economic-policy shaping through an accommodating monetary policy aimed above all at guaranteeing financial stability, and through the production of a normative and performative discourse regarding budget policy and 'structural reforms'. The dynamics within the ECB have had a key role in the overall dynamics by making fiscal and 'structural' tightening the counterpart of evolution towards less and less conventional policies.

The IMF's coming into play reinforced the whole of the preceding processes by introducing external 'disturbances' connected to manifest divergences between US neo-Keynesian economists and representatives of the euro-area's central institutions.

IMF leaders and economists who are in Europe seem very close to and more influenced by the neo-Keynesian school, but slightly more 'Americanized' than the European actors (which is connected to the fact that they are from academia), therefore less 'restrictive' in fiscal matters.

#### *Relative permanence*

Although these changes in internal balances have partly changed the playing field, the relative permanence of a set of key actors should also be noted.

At the political level, the absence of permanence is striking. Out of the 28 countries of the EU, only 5 prime ministers were already in office in 2010. But we can simultaneously observe that some of them are particularly important in economic matters, and above all Angela Merckel, in office since 2005, but also Austria and the Netherlands (whose finance minister is now director of the Eurogroup), the case of Great Britain and Hungary being somewhat different. It will also be noted that the political majorities remain dominated by a conservative group.

These changes in majority should not however mask the relative permanence. In the absence of broader investigations, we can make the assumption of a relative permanence of the national administrative elites in charge. In the case of France, the same person was the director of the Treasury between 2004 and 2014.

**Ramon Fernandez**, born on 25 June 1967 in Paris (15th arrondissement) is a French senior official belonging to the [body of civil administrators](#). He was director-general of the Treasury from March 2009 to June 2014. Since 1 September 1, 2014, he has been financial director of the French Internet provider Orange. Son of the writers [Dominique Fernandez](#) and [Diane Jacquin de Margerie](#), and grandson of

the collaborationist literary critic [Ramon Fernandez](#) and the diplomat [Roland de Margerie](#) Ramon Fernandez is a graduate of the Paris Institute of Political Studies. Graduate of the French national school of administration, the *École nationale d'administration* (ENA, [class of 1993](#)), he left the body of civil administrators for the Treasury as assistant to the E1 bureau chief (energy, transport and urban planning) (1993-1994) then to that of the B1 bureau (financial market) (1994-1997).

After having worked temporarily at the [IMF](#) as administrator in 1997 and at the state-control department of the [Ministry of the Economy and Finance](#) in 1999, he returned to the Treasury the same year as head of Bureau D2 (energy, telecommunications and raw materials) (1999-2001) then of Bureau B1 (savings and financial market) (2001-2002). During this period, he was vice president of the telecommunications financing bank, *Caisse nationale des télécommunications*, (2000-2001) and a member of the boards of directors of the [French Alternative Energies and Atomic Energy Commission \(CEA\)](#) (1999-2001), of the French bureau of geological and mining research and of *Charbonnages de France* (1999-2001), of the electricity-generation company [Compagnie nationale du Rhône](#), the [French petroleum company ERAP](#) and the nuclear-power company [Framatome](#) (2000-2001). From 1999 to 2001, he was also a lecturer at the ENA.

Technical adviser to the Minister of the Economy Francis Mer in 2002, in charge of banking, insurance, savings, financial markets and housing. He was then appointed Deputy Director of the Treasury in charge of sub-directorate F (debt, development and emerging markets) in 2003, then of international financial affairs and development in 2004. He was also government commissioner for the credit insurer [Compagnie française d'assurance pour le commerce extérieur](#) between 2003 and 2007, and for the *Société française de ventes et financements de matériels terrestres et maritimes* (Sofrantem) from 2003 to 2005.

Close to Nicolas Sarkozy, he was called by the latter after his election as President of France in 2007 to collaborate with the economic adviser to the presidency, François Pérol, then was appointed the following year Chief of Staff of the Minister of Social Affairs, Xavier Bertrand. In February 2009, he returned to the directorate-general of the Treasury and of Economic Policy (DGTPE) as chief of the of the 'financing of the economy' service. On 4 March 2009, he was appointed Director General of the DGTPE, replacing Xavier Musca, who on 26 February had replaced François Pérol as Deputy Secretary General of the *Élysée*. In this capacity, he also became government commissioner for the French Financial Markets Regulator. He became Chairman of the Paris Club, traditionally handed to the Treasury Director, after having been its Vice Chairman from 2003 to 2007.<sup>4</sup>

As for the entourage of those taking part in France's European policy, Philippe Étienne, permanent representative for France, was in office from 2009 to 2014. His deputy, Philippe Leglise-Costa, became in 2012 the adviser of the new president, François Hollande, and also held for a while the post of Secretary-General for European affairs. We will note in this respect that Xavier Musca, former adviser to Nicolas Sarkozy who had joined the directorate of the bank *Crédit Agricole*, had previously been Treasury Director, when the former director of the General Secretariat for European Affairs under Sarkozy had held several posts at the Ministry of Foreign Affairs before joining the bank *Société Générale* when the presidential majority changed.

Looking on the side of the European cluster, we can also observe a permanence set, in particular among key actors taking advantage of this permanence to hold core positions. The most obvious example here is that of the current President of the Commission. Minister of Finance of Luxembourg since 1989, he is the only European political player in a position of power to have taken part in the negotiations on the Maastricht Treaty, and as a member of the ECOFIN Council, in the negotiations for the economic and monetary union. Above all, promoted to President of the Eurogroup in 2005, he remained in this post until January 2013 before being selected in June 2014 as President of the European Commission.

A few other less well-known highly positioned administrative players should also be mentioned.

Marco Buti, for instance, has been Director-General of ECFIN at the European Commission since 2008. An adviser to Romano Prodi for economic affairs when the latter was President of the Commission, he held the post of Director-General of Economic and Financial Affairs for the Member Countries then, in 2006, Deputy Director-General of DG ECFIN. Klaus Regling, who preceded him in this post, also has particularly remarkable longevity in this field, by having accessed successive important positions at the IMF, having been German Minister of Finance, banker, at the European Commission (in a top position), before joining the Issing Commission and today, leading the European Stability Mechanism (ESM).

**Klaus P. Regling** (born on 3 October 1950 in Lübeck) is a German economist and currently Director-General of the ESM.

#### Biography

Regling is a graduate in economics from the University of Hamburg (1971) and has a Master's in economics from the University of Regensburg (1975). He began his career at the IMF in Washington, DC, in the Young Professional Program. He spent the first two years there in the Research and African Department.

- 1980-1981: Economics Department, German Banking Association (Bundesverband deutscher Banken)
- 1981-1985: Economist at the European monetary affairs department of the German Ministry of Finance
- 1985-1991: IMF, Washington and Jakarta
- 1991-1998: German Ministry of Finance
- 1991-1993: Head of international monetary affairs department.
- 1993-1994: Vice Director-General of International Monetary and Financial Relations.
- 1993-1998: Director-General of European Monetary and Financial Relations.
- 1999-2001: Director-General, Moore Capital Strategy Group in London
- 2001-2008: European Commission
- Director-General for Economic and Financial Affairs
- Member of the Economic and Financial Committee
- Vice Governor of the European Bank for Reconstruction and Development
- Member of the Board of the European Investment Bank
- 2008-2009: Member of the Issing Commission in Germany
- Since July 2010, he has been Director-General of the European Financial Stability Facility
- Since October 2012, he has been Director-General of the European Stability Mechanism<sup>5</sup>

## **II. Empirical testing: The subfield of European economic governance before and after the crisis – an exploratory analysis based on the EUROCRACY II database**

Once these first references are set, how is the subfield of European economic governance structured and how has it evolved, particularly since the 2007-2008 global crisis? The idea will be to get a more systematic grasp of the types of resources on which the various actors were able to rely, and to test the hypothesis of the existence of structural dynamics arisen in the field of Eurocracy in general, and in the subfield of economic governance in particular, at the turn of the 2010s.

Initially, the analysis is primarily descriptive; it aims to grasp from a relational point of view the distribution of the resources held by the main actors of the subfield, and its evolution, in order to then locate a few key actors who have different characteristics and whose biographical

trajectories, which will only be outlined here, illustrate the importance of this structuring for understanding how this world of competition and interdependence works. Comparisons of positions and standpoints will thus be qualitative.

At this point in the analysis, mainly for practical reasons, we selected those holding leading positions in the subfield of European economic governance, clearly located within the field of Eurocracy, such as they can be grasped in the organization chart of the European institutions (a marker of membership of the field), analysing only the EU Council, the Council's General Secretariat, the Commission's 'economic' directorates-general (ECFIN, Competition, Budget, Taxation and Customs Union, Trade, Internal Market, Enterprise and Industry, and Eurostat) and the ECB. We therefore deliberately left out, temporarily, the private actors on the one hand (in particular financial actors such as the leaders and professionals of the credit-rating agencies, but also economic elites) and the strictly national actors (executive heads, ministers of finance and so on) or non-European ones (such as the IMF) on the other hand.

We are aware of the extent to which this restriction limits the range of the analysis, insofar as national political leaders, IMF leaders and experts, but also the academic economists involved in the public debate and the discursive struggles over austerity (we are thinking of course of Joseph Stiglitz, Paul Krugman, Thomas Piketty and others), and other economic and intellectual actors (such as George Soros) are also part of the set of effective agents of this public policy. The model suggested here is thus a 'reduced model', the purpose of which is above all heuristic and methodological, connected to ongoing work on the field of Eurocracy.

The results presented here are thus exploratory and partial, but they provide some first elements making it possible to grasp the stakes of the field at the level of the *characteristics of the individual actors on the one hand*, without losing sight of the fact that their authority is directly related to their *positional characteristics* (board presidency, Commission presidency and so on) and to the *institutions* of which they are the spokespersons and the 'pilots'.

Such an analysis provides useful empirical elements to interpret power relations as they are established day-to-day (not just within the most official bodies) in the field of Eurocracy among individual actors, institutions, countries and so on.

#### *Description of the data*

The database under study comprises 349 individuals in the leading positions of the subfield of economic governance as we have defined them. We eliminated from the analysis all individuals with more than 3 non-responses to the active variables of the specific Multiple Correspondence Analysis (MCA) (see below the 14 selected variables). This gave us 311 individuals, some of whom have up to 3 'non-responses'.

The input was carried out based on relatively simple coding of three big types of properties: the social-demographic properties of the actors (unfortunately limited in a directory such as the organizational chart, which does not provide any information on social background, family and so on); the main features of their university education (places of education, level and type of degree and discipline, and so on); and finally certain features of their professional trajectories such as having worked in a cabinet (of a commissioner or director), sectoral mobility, administrative experience previous to entering the field. We also have information on their work in the private sector, noteworthy political positions and so on.

This database will be supplemented and connected to the database on central bank executives (BANQCENT), that on the European legal elites (POLILEXES), to the EUROCRACY I database

(GSPE-PRISME), and to databases under construction related to ministers of finance and leaders of national executive branches, and the 'Troika' actors.

### *Trending changes*

Comparing two dates, 2001-2002 and 2012-2013, reveals some interesting variations.

The total number of individuals increases between the two periods, which is theoretically the result in particular of the increase in size of the cabinets and in the number of countries in the euro area.

The share of 'European' and not 'national' education trajectories increases clearly, confirming the Europeanization process underscored by many authors (Georgakakis and de Lassalle, 2007). This process contributes to making the European stakes more autonomous. This is particularly illustrated by the dynamics of the austerity policies, which in the more specific case of the euro area tend to make it a world 'apart', cut off from the rest of the field of global power, a closed field of struggles among very specialized actors.

The share of PhDs increases quite clearly, revealing a process of scientification or academization (Mudge and Vauchez, 2016) contributing to bringing the economic and legal stakes of European integration closer to those of the academic world. This process takes place under the obvious drive of the world of 'central banking', which constitutes not only a 'cluster' (as we will see), but beyond doubt a policy and scientific-expertise integration model, in the monetary, as well as fiscal and macroeconomic areas (Lebaron, 2014). This approximation is however two-edged, because it also contributes to giving more force to disagreements with the EU's austerity policies issued from the academic world, such as those delivered after 2010 by renown US economists.

Disciplinary specializations remain relatively stable between 2001 and 2012, with a slight increase in humanities and social sciences, a decline in sciences and an overall stability of the economics-law ratio, which however remains dominated by economics. We find here the twofold disciplinary domination that has characterized European integration since its beginnings and is reinforced by the generic increase in power of the subfield of economic governance in the space of Eurocracy.

Previous experience in the private sector indicated in individual biographies also increases clearly, particularly for lawyers but also in banking and finance.

## **Constructing the space of European economic governance**

To analyse the structure of this space we used a specific MCA, a method of geometrical analysis of the multidimensional data that makes it possible to grasp the structure of a particular social space by organizing the interpretation of this world around the main dimensions (the axes) that structure it.

We selected as active variables for the analysis (between brackets the number of active modalities) the **14** following variables:

1/ Social-demographic properties (2 variables, 5 modalities): gender (2), age at the time the biographical record was entered (3: less than 45 years old/45-60 years old/60 and older)

2/ Education trajectory (8 variables, 19 modalities): main place of education (3), place of last diploma (3), level of studies (3), Economics (2), Law (2), Management (2), Political Science – Public Administration (2), Science (2)

3/ Career (4 variables, 9 modalities): previous experience in an administration (2), has been a cabinet member (3), sectoral mobility (2), has occupied a cross-cutting post (2)

These variables make it possible to define the distances between individual actors within the space under study.

## Results of the specific MCA

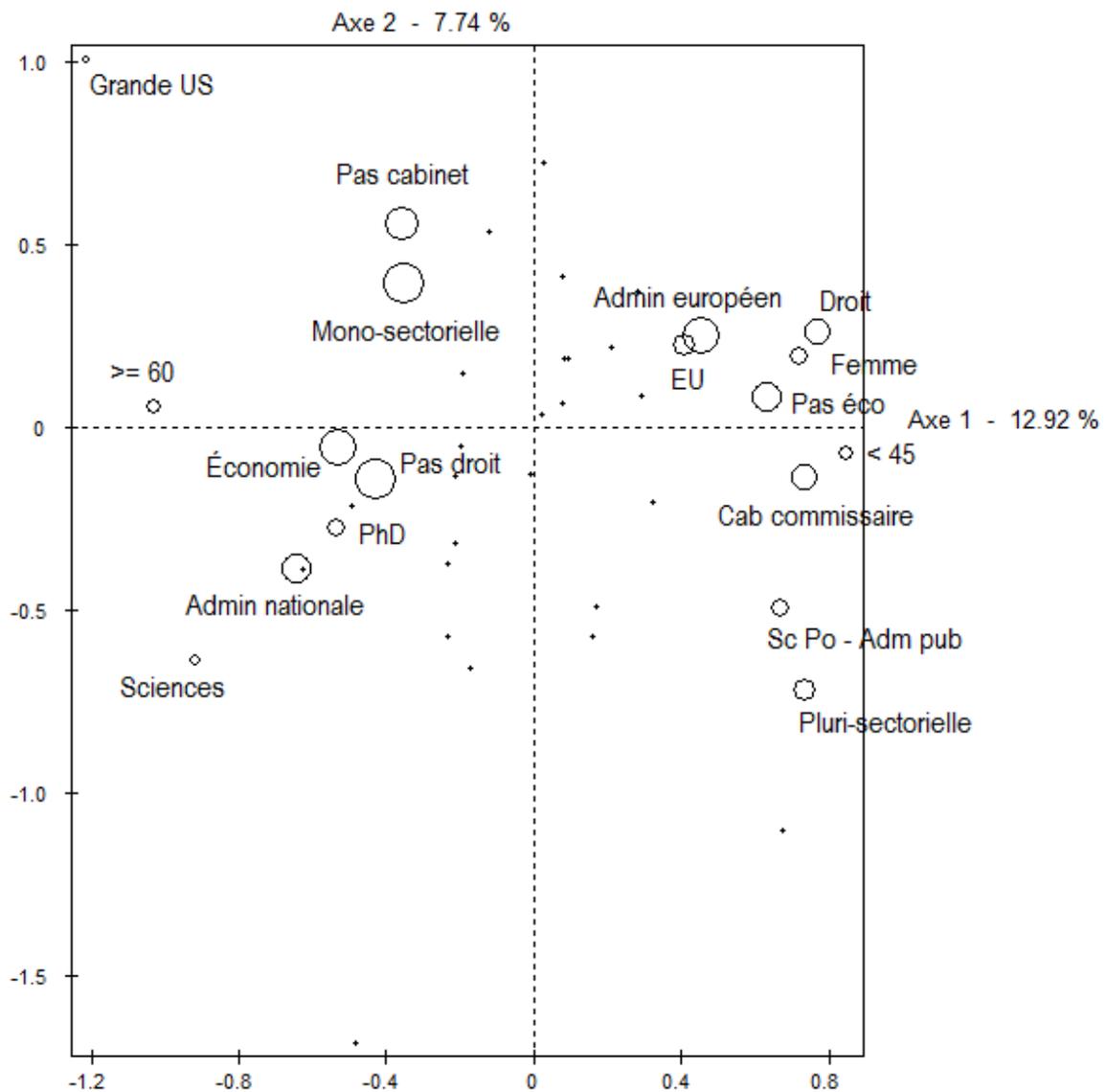
### Table of eigenvalues

**Trace of the matrix: 1.35829**

Number	Eigenvalue	Percentage	Cumulative percentage
1	0.176	12.9	12.9
2	0.105	7.7	20.7
3	0.102	7.5	28.2
4	0.095	7.0	35.1
5	0.089	6.5	41.7
6	0.079	5.8	47.5
7	0.075	5.5	53.1
8	0.072	5.3	58.3
9	0.067	4.9	63.3
10	0.064	4.7	68.0

We will retain three axes here, account taken of the decrease in the eigenvalues.

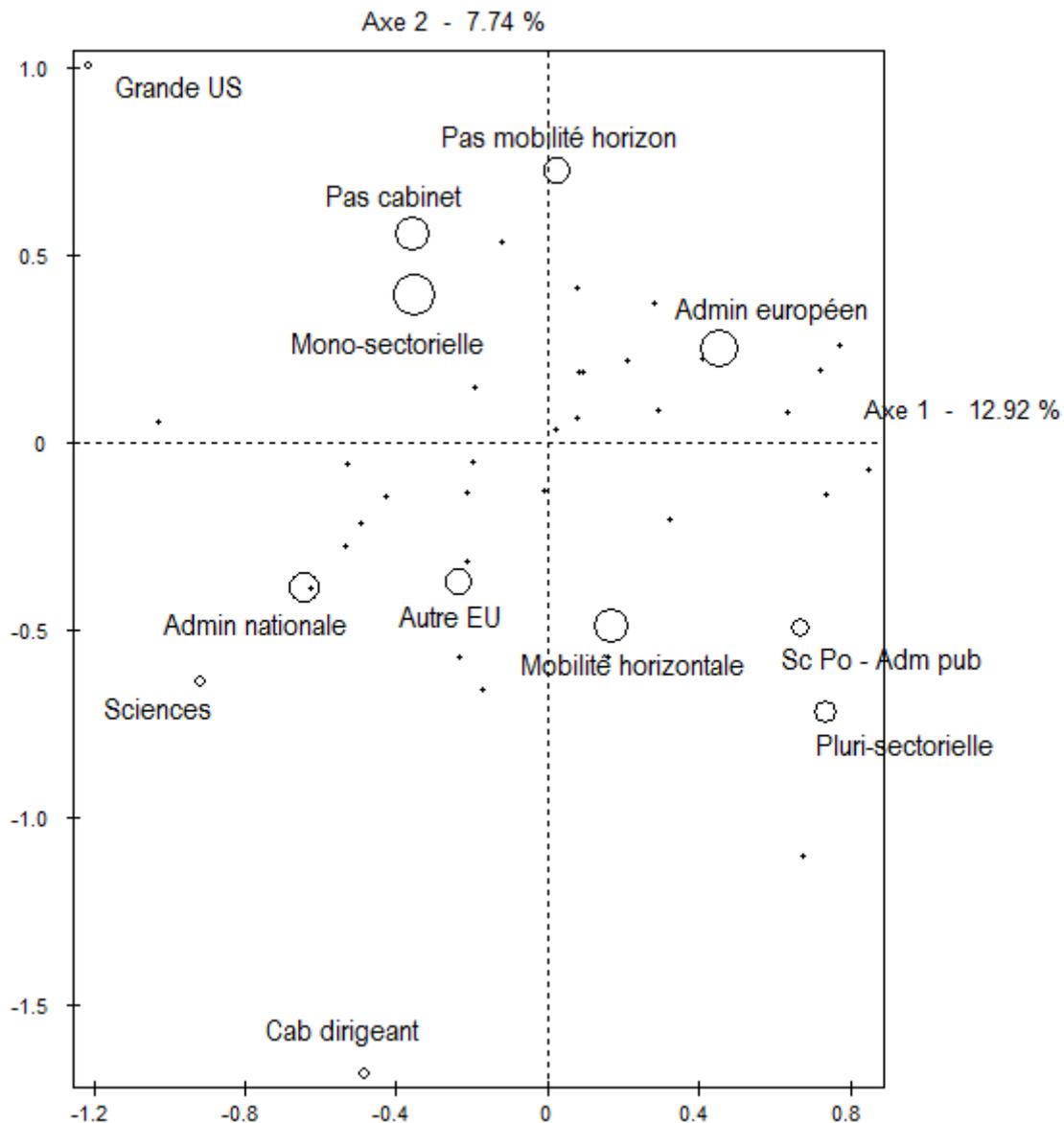
## Axis 1



Axis 1 opposes on the left (negative values): economics, not law, national administration; and on the right: commissioner's cabinet, law, not economics, European administration, pluri-sectoral mobility and so on.

We have here a rather clear opposition between economics-related capital, with a US component but linked to national administration, and legal capital, which appears as more specific to the European institutions ('Brussels') themselves. The differentiation here therefore depends on the level of Europeanization of the capital held, and is inversely proportional to the detention of capital in economics.

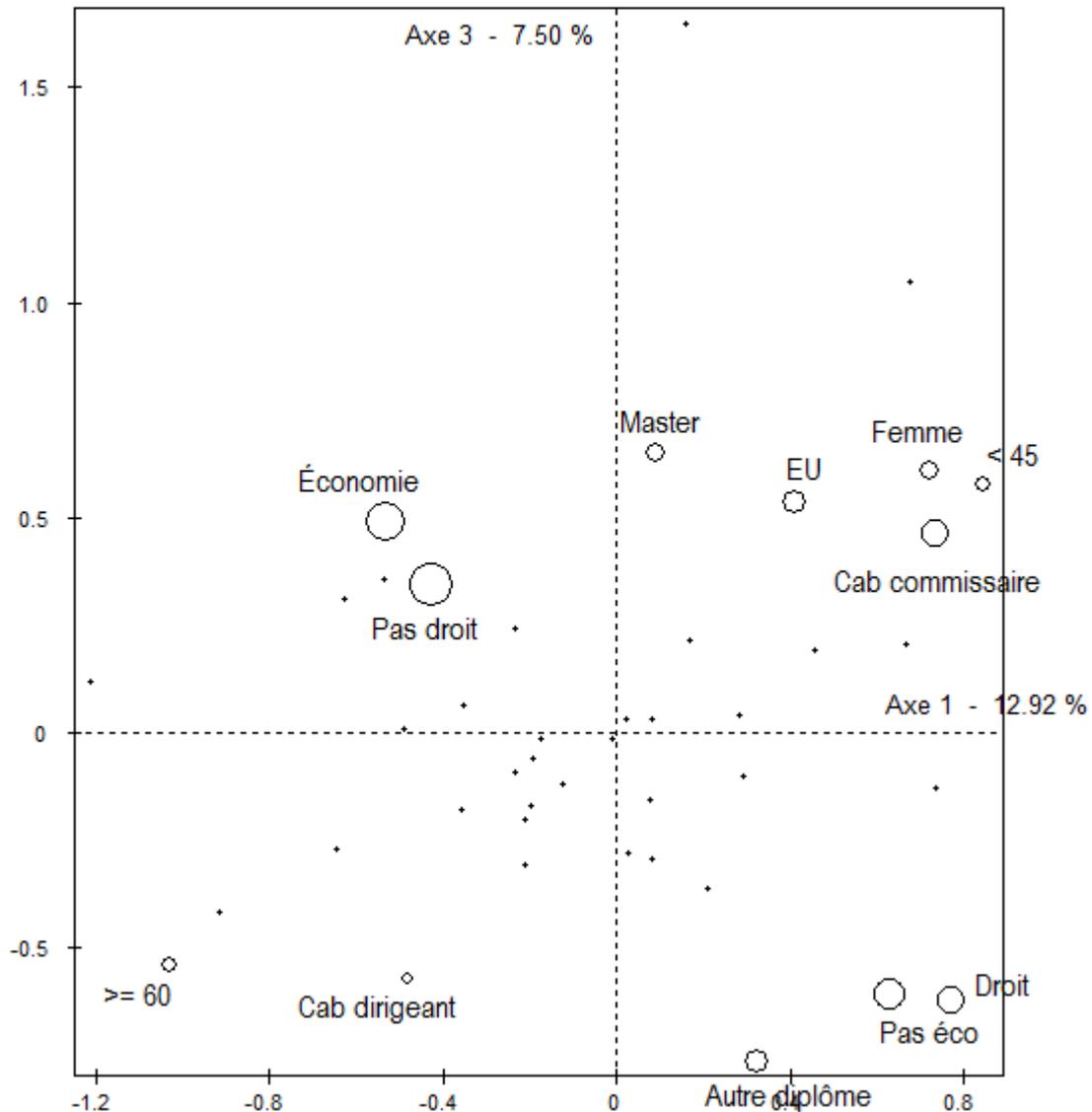
## Axis 2



Axis 2, mostly determined by career-related issues, opposes (upper part) absence of horizontal mobility, of transition in a cabinet, of sectoral mobility, European administration, having gone to an US university, to (lower part) having transitioned through a political leader's cabinet, horizontal and pluri-sectoral mobility, national administration and sciences, political sciences.

We have here an axis of positional area (it increases when moving down along the axis), of political capital (transition in a political leader's cabinet), including national (transition in national administration), with detention of diplomas in political science.

### Axis 3



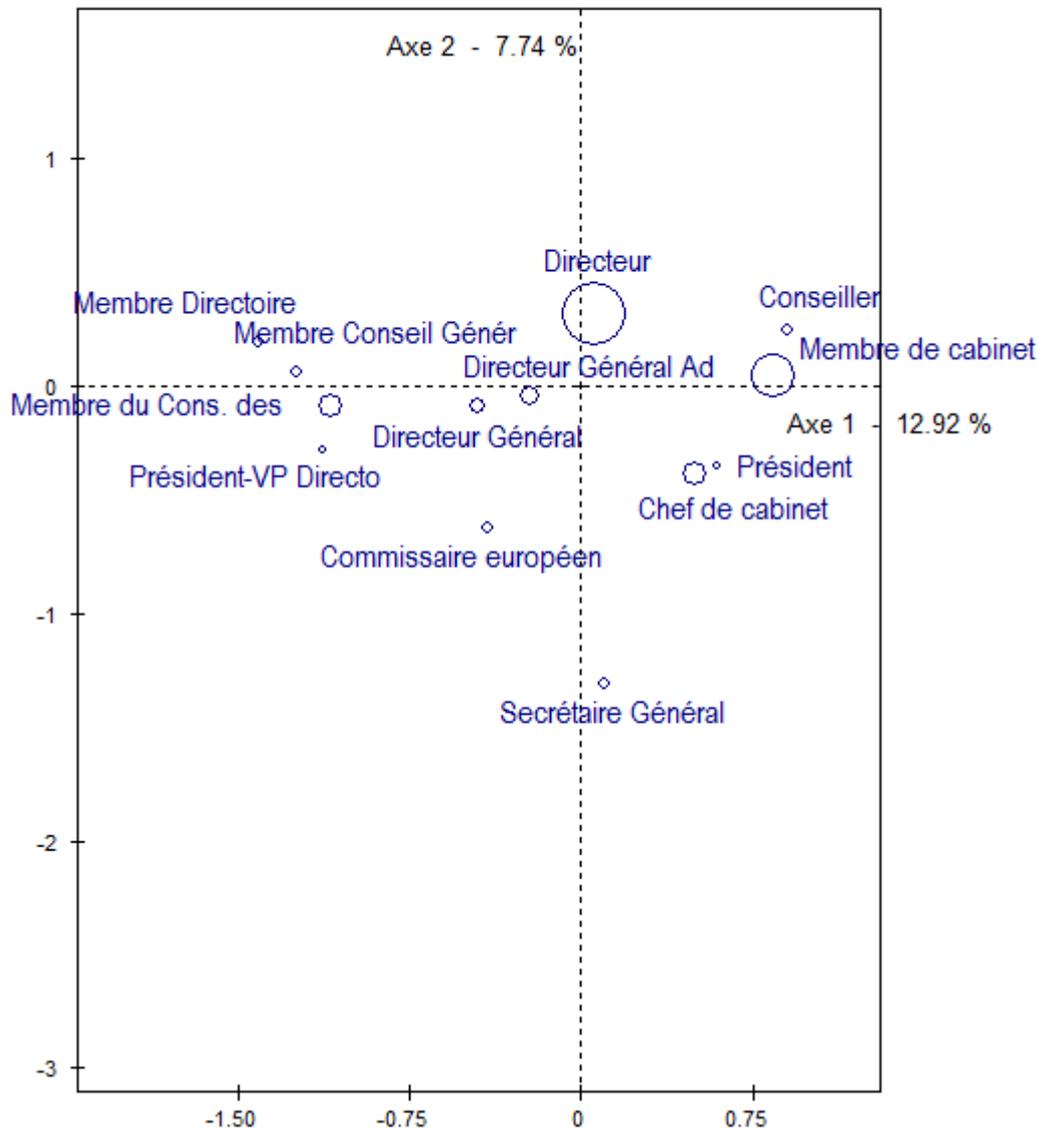
Axis 3 is related to age and diploma level, opposing (upper part) young age, Master's degree, woman, studies within the EU, transition in a commissioner's cabinet, economics, to (lower part) older age, other diploma (no diploma), law, transition in a director's cabinet.

It is therefore a social-demographic axis strongly related to general characteristics of the trajectory, which opposes this time, law and economics from the point of view of generations within the field of Eurocracy. It distinguishes capital accumulated on the job and in the political field (lower part) from a more European capital related to economics, at the Master's level.

### The positions: closely related to the capital held

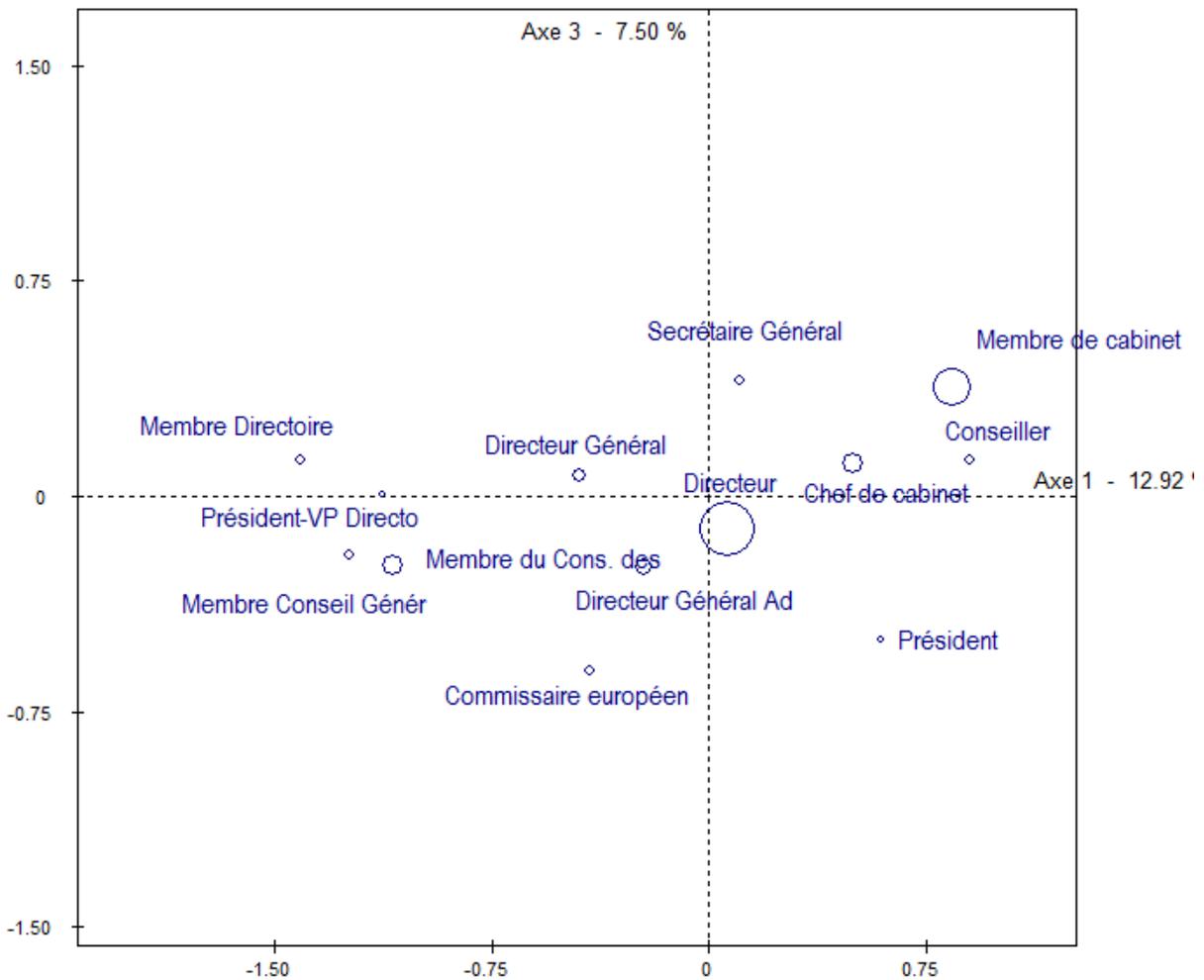
A close relation is clearly observed between the capital held and the institutional positions occupied in the subfield of economic governance, projected as additional. This confirms that it is somewhat useless to oppose the resources held by an individual and the effects of his or her

official (institutional) position, insofar as the two elements interact strongly, with the characteristics 'incorporated' into a specific trajectory contributing to determine the meaning, the effectiveness and the authority of the position, and the position being in itself a fundamental resource of the individual's concrete action.



Axis 1 opposes positions within the ECB on the left to positions of cabinet chief and member on the right, the most specific positions on the left to the more 'European' positions on the right. We thus already observe, at this level, a strong relationship between the actors' capital and the institutions, which isolates the particular world of the ECB ('Frankfurt') on the left.

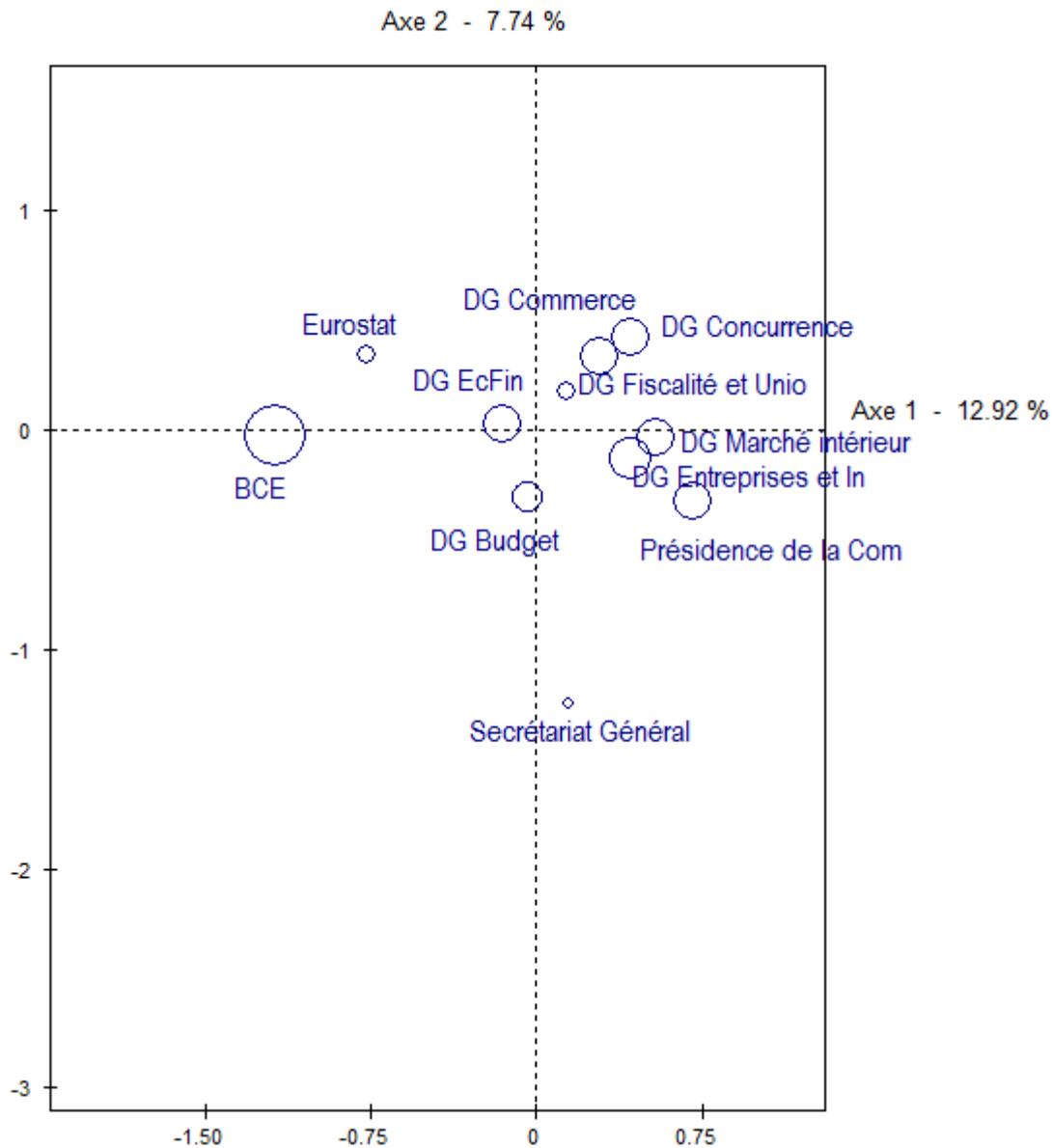
Axis 2 clearly opposes positions dominated by politics (lower part), such as Secretary-General of the EU and commissioner, to 'purely' administrative positions (upper part), such as those of director.



Axis 3 isolates the strong holders of institutional capital in the lower part, from the more subordinate positions in the upper part, separating this time President of the Commission and commissioners from the Secretary-General, in connection with the previously mentioned characteristics of professional and social-demographic trajectories.

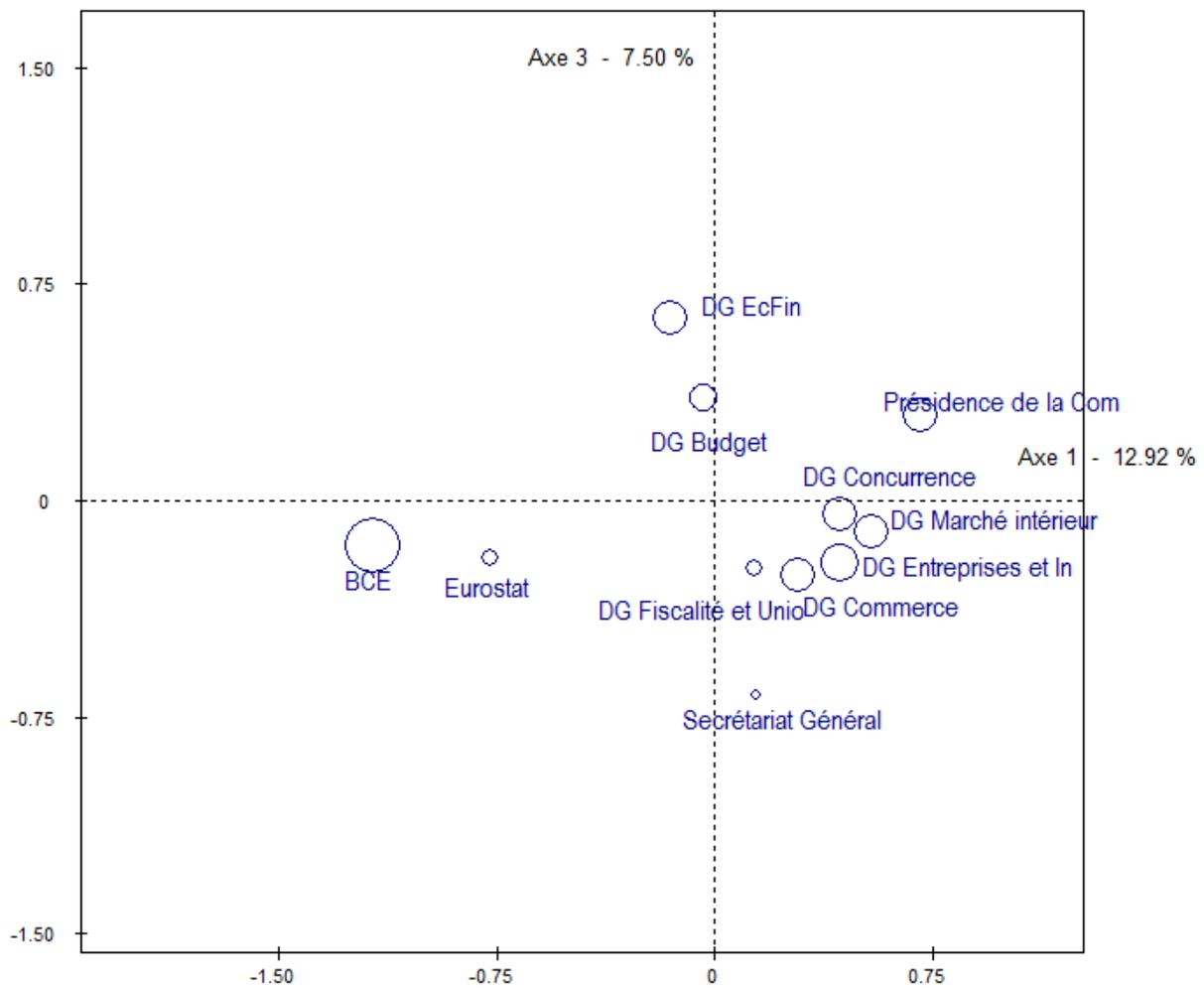
### **The institutions: a space embedded in the social structures**

Projection of the institutions as an additional variable confirms the existence of a close relationship between types of capital and 'institutions' of the field of Eurocracy, directly within the subfield of economic governance.



This one is clearly divided (Axis 1) between a cluster related to economics, embodied by the ECB, but also by Eurostat, and, to a lesser extent, DG ECFIN, on the one hand, and the more 'legal' directorates within the subfield of economic governance, such as DG 'Internal Market' on the other hand.

Axis 2 isolates (in the lower part) the General Secretariat of the Council of the EU and, to a lesser extent, the Presidency of the Commission, places where one thus finds the most surface area, circulation and political capital.

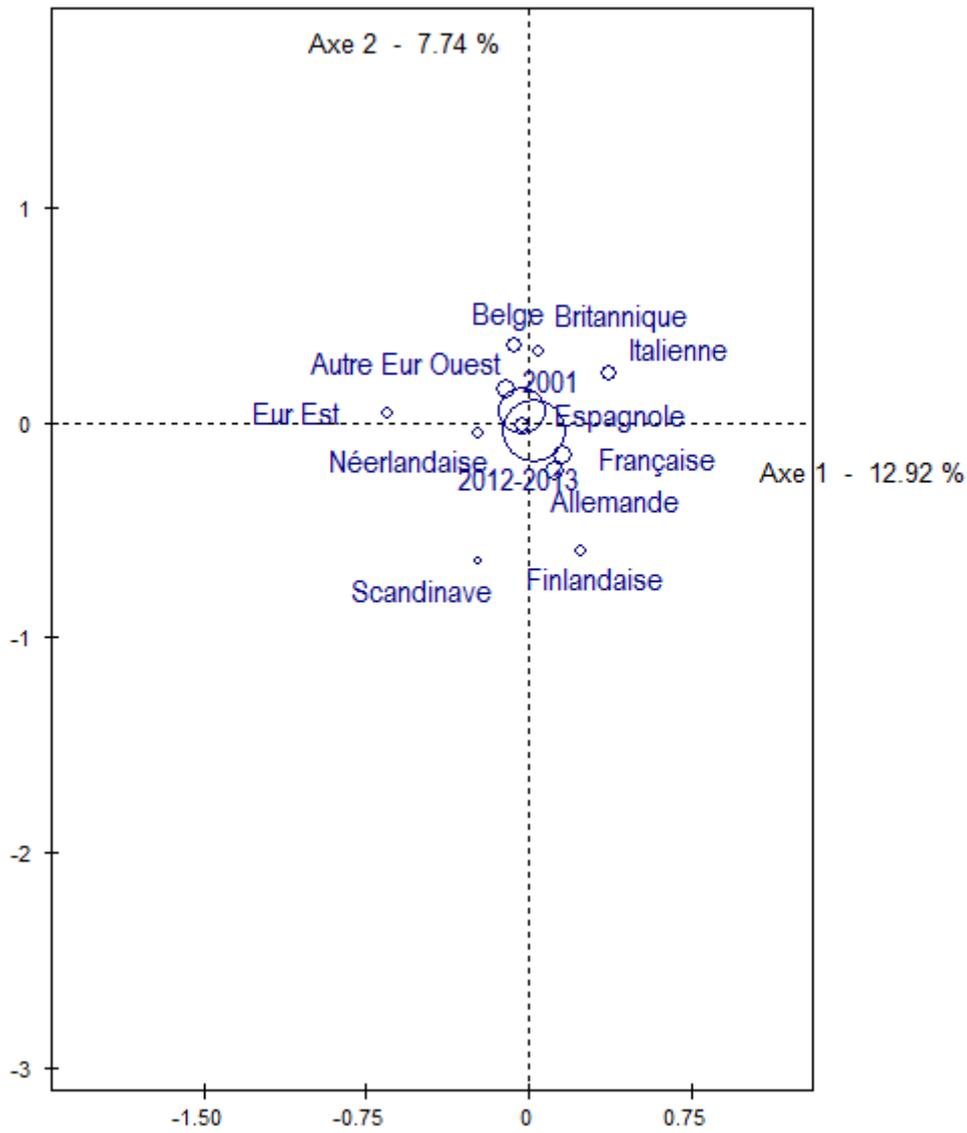


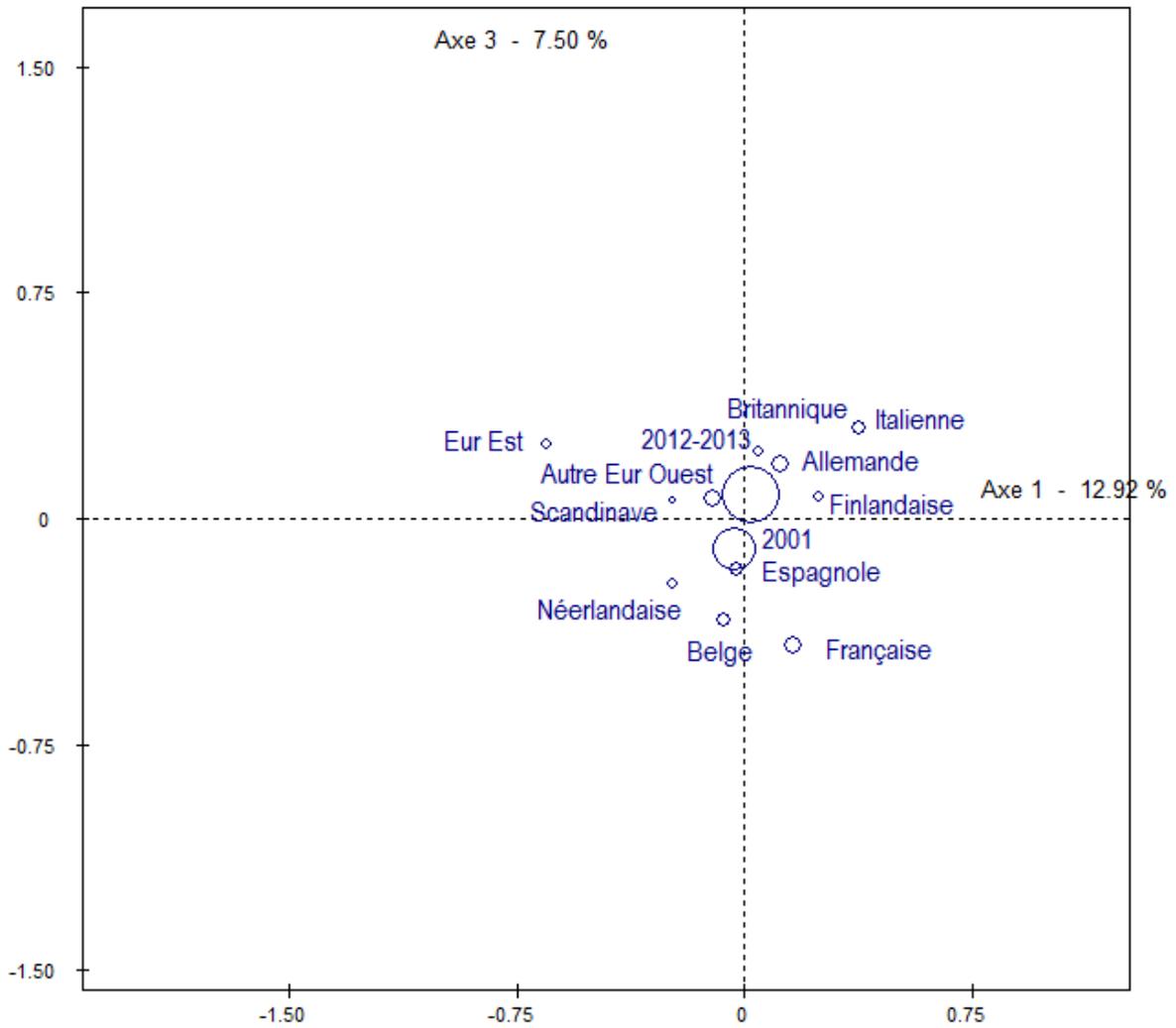
The General Secretariat is opposed along Axis 3 to the Presidency of the Commission, but also to DG ECFIN and Budget, which means that what is found there are the most 'entering' profiles (young persons, women and so on), clearly located at the top on the axis.

### The 'areas' of the subfield

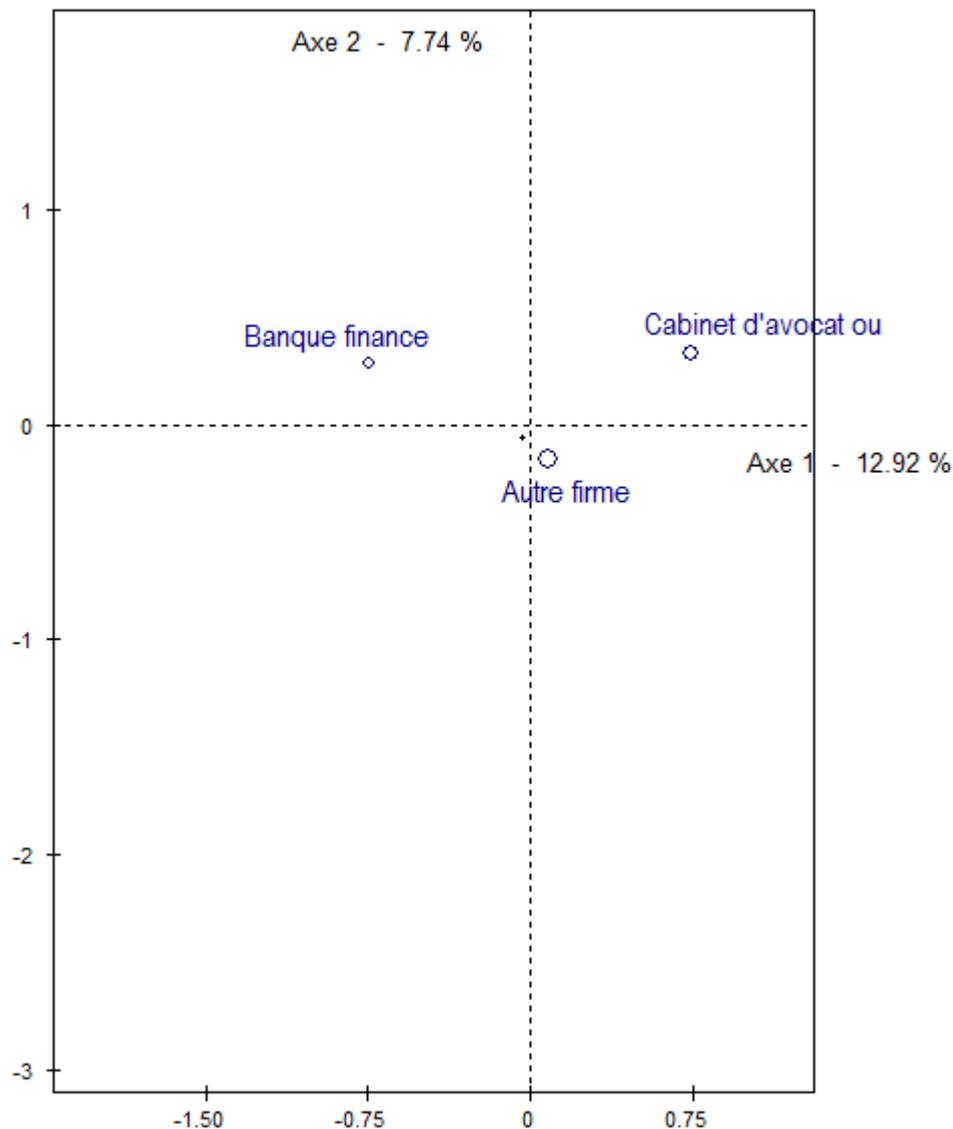
The subfield is structured from the point of view of the countries, with, logically, the 'old' and 'large' countries below, the Scandinavian countries even more clearly below Axis 2, the new members from Eastern Europe rather on the left of Axis 1.

The temporal dynamics appears slightly on Axis 3, the relative 'newcomers' (young persons, women and so on) having been more present during the last period of observation.





Lastly, it is interesting to observe that the mentioned transitions in the private sector (which probably covers only a small part of reality) clearly describe the opposition between the 'Frankfurt cluster' on the left, linked to banking and finance, and the 'Brussels cluster' on the right, linked to the world of lawyers and of the Council.



## Trajectories and standpoints

Embodying the 'pragmatic central banker' since he 'saved the euro', Mario Draghi has been the subject of an avalanche of all kinds of biographical speeches and accounts. It will be noted especially that he saturates the properties of excellence of the central banker, such as a PhD from MIT and recognition as an economist, a both administrative and private career, and that his authority is connected not only to that of the ECB as actor-pilot of the euro area, but to the euro itself as a currency challenged during the crisis, the safeguard of which constituted a major stake in the economic public policies.

The left cluster of the described space occupies a critical position in the policy conducted since 2010: it is from the ECB that came putting on the agenda the policy of reducing the imbalances of public finance, in particular in the countries experiencing crises connected with a high level of debt. DG ECFIN occupies from this point of view a close position, which puts it in the subspace of the economic legitimacy defined in Frankfurt.

To the right of Axis 1, we find the Frenchwoman Nathalie de Richemont, whose trajectory is presented in the box below.

### **Box 1**

Laurence de Richemont: A Frenchwoman at José Manuel Barroso's cabinet

A photograph of her when she was 18 with Jean-Paul II, another one ten years later with Jacques Chirac, a third, more recent one with the European Commissioner Michel Barnier: Laurence de Richemont has not finished settling into her office on the 13<sup>th</sup> floor of the Berlaymont building, where with a majestic view over Brussels the President of the European Commission and the thirteen members of his cabinet sit. José Manuel Barroso's new adviser, in charge of industry, trade and research, wants to hang a world map on the wall so as to have before her eyes all the countries with which the Union is partnered. But she might be looking mostly at France, because if the President of the Commission recruited this European civil servant after she spent seven years in Paris, where just a few months ago she still directed the permanent representation of the Commission, it was also to strengthen his ties with the French authorities. *'She knows the journalists well, as well as the members of Parliament and more generally speaking all the civil-society actors in France'*, explains Michel Barnier, *'but she also has the experience of European commissioners' cabinets.'*

Indeed, she has been coming and going in Brussels for a long time. Already in early 1995, she had followed Yves-Thibault de Silguy to Belgium – after having met him at the general secretariat of European affairs in Paris when he was secretary-general and she was in charge of development aid – where she would advise on World Bank and IMF aspects the commissioner who would take the euro to its birth. *'When we arrived, few people believed in it'*, she remembers.

### **A passion for theatre**

When the Santer Commission fell, this 'hard worker' – de Silguy remembers the weekend when she had to summarize for him the 600 pages of Jean Monnet's memoirs – was recruited by the Netherlander Frits Bolkestein, the Commissioner for Internal Market at the source of the Services Directive come under such criticism in France. *'He was a scholar and a Francophile who spent his time asking me difficult questions on Balzac and Mallarmé'*, she says. In charge of integrating the financial services, she battled for a year and a half with Parliament to give rise to three European regulation committees for banking, insurance and the markets. *'This was the basis on which Jacques de Larosière was able to make his proposals to set up actual European oversight authorities'*, she explains.

She fell into Europe almost by chance. *'At Sciences Po, my generation wasn't told much about the European dimension'*, says this discreet woman, born in 1961, mother of a young son and married to a former consultant from the financial-services company Lazard. As keen on trips as she is gifted for languages – she has been just started learning Portuguese – she had her first experience abroad in 1984, when the ENA sent her on an internship at the Detroit City Hall financial department in the midst of the crisis of the automobile industry. This was quite a shock to her, which she remembers with as much emotion as she does her internship the same year at the prefecture of Avignon, where the theatre buff that she was, who had taken classes with Daniel Mesguich at the American Center, spent her nights devouring Ariane Mnouchkine's productions. She would give up theatre but her taste for international affairs would not disappear. Not at Paris City Hall, where she would be in charge between 1988 and 1991 of orchestrating the travels abroad of former Prime Minister and not yet President Jacques Chirac. Nor at the French Ministry of Foreign Affairs, where she would then specialize in Japan at the Asia department headed by Jean-David Levitte, today diplomatic adviser to Nicolas Sarkozy.<sup>6</sup>

At the bottom of Axis 2, on the side of political capital, we find Olli Rehn, whose trajectory alone testifies to and is proof positive of the increase in power of the subfield of economic governance. A Finnish centrist politician, Commissioner for Economic and Monetary Affairs under Barroso, he accumulated political-bureaucratic capital that allowed him during the crisis period to be one of most provocative advocates of radical austerity policies, provoking polemics with recognized macroeconomists (Joseph Stiglitz and Paul Krugman, for instance), then to claim – unsuccessfully – a dominant position within the European liberal current during the 2014 European elections.

At the top of Axis 2, at the least ‘political’, the least mobile and the most mono-sectoral cluster, we finds for example Pierre Delsaux, a Belgian lawyer in charge of the internal market, equipped with international capital and highly integrated into the Brussels world.

The analysis presented here reveals a space that is highly structured around an opposition among forms of expertise functioning as capital specific to the field of Eurocracy, more strongly internationalized (in the US sense) economic expertise, located at one of the two clusters on a first axis, with political capital structuring the second axis, and seniority the third axis.

The hypothesis developed in this work consists in highlighting the specific role of a subsector of the field of Eurocracy in the implementation of the austerity policies: reactivated as of the summer 2009 by certain (German) leaders of the ECB, the issue of quickly reducing public deficits became a categorical imperative for the whole of the subfield of economic governance, which contributed to impose it, according to mechanisms that we cannot develop here, within the European political field through the national political fields and their complex competition and interdependence relationships.

Our coming research on the subject will be devoted to studying these mechanisms. We would like in particular to analyse the dialectics between the imposition of a public-policy schema at the top of the governance bodies and the resistances and struggles that it generated in a large number of social spaces including, among others, the international scientific field, national societies and the national political fields.

## Appendix: Comparative tables based on the EUROCRACY II database

Numbers/weight % in row % in column	In one's country	EU	USA- other	Total
<b>2012-2013</b>	88	60	8	156
	56.4	38.5	5.1	100.0
	50.9	69.8	72.7	57.8
<b>2001</b>	85	26	3	114
	74.6	22.8	2.6	100.0
	49.1	30.2	27.3	42.2
<b>Total</b>	173	86	11	270
	64.1	31.9	4.1	100.0
	100.0	100.0	100.0	100.0

Numbers/weight % in row % in column	Economics	Not economics	Total
	2012-2013	97	79
55.1		44.9	100.0
57.7		56.0	57.0
2001	71	62	133
	53.4	46.6	100.0
	42.3	44.0	43.0
Total	168	141	309
	54.4	45.6	100.0
	100.0	100.0	100.0

Numbers/weight % in row % in column	PhD	Master's	Other diploma	Total
	2012-2013	48	45	44
35.0		32.8	32.1	100.0
61.5		57.0	48.4	55.2
2001	30	34	47	111
	27.0	30.6	42.3	100.0
	38.5	43.0	51.6	44.8
Total	78	79	91	248
	31.5	31.9	36.7	100.0
	100.0	100.0	100.0	100.0

Numbers/weight % in row % in column	Law	Not law	Total
	2012-2013	66	111
37.3		62.7	100.0
59.5		55.5	56.9
2001	45	89	134
	33.6	66.4	100.0
	40.5	44.5	43.1
Total	111	200	311
	35.7	64.3	100.0
	100.0	100.0	100.0

Numbers/weight % in row % in column	Mono-sectoral	Pluri-sectoral	Total
	2012-2013	112	60
65.1		34.9	100.0
55.7		60.6	57.3
2001	89	39	128

	69.5	30.5	100.0
	44.3	39.4	42.7
	201	99	300
<b>Total</b>	67.0	33.0	100.0
	100.0	100.0	100.0

Numbers/weight % in row % in column	National Administration	European Administration	Other experience	Total
<b>2012-2013</b>	67	104	6	177
	37.9	58.8	3.4	100.0
	54.0	58.4	66.7	56.9
<b>2001</b>	57	74	3	134
	42.5	55.2	2.2	100.0
	46.0	41.6	33.3	43.1
<b>Total</b>	124	178	9	311
	39.9	57.2	2.9	100.0
	100.0	100.0	100.0	100.0

Numbers/weight % in row % in column	Commissioner's cabinet	Director's cabinet	Not cabinet	Total
<b>2012-2013</b>	64	20	80	164
	39.0	12.2	48.8	100.0
	62.1	60.6	53.0	57.1
<b>2001</b>	39	13	71	123
	31.7	10.6	57.7	100.0
	37.9	39.4	47.0	42.9
<b>Total</b>	103	33	151	287
	35.9	11.5	52.6	100.0
	100.0	100.0	100.0	100.0

Numbers/weight % in row % in column	Horizontal mobility:	Not horizontal mobility:	Total
<b>2012-2013</b>	90	51	141
	63.8	36.2	100.0
	62.9	45.1	55.1
<b>2001</b>	53	62	115
	46.1	53.9	100.0
	37.1	54.9	44.9
<b>Total</b>	143	113	256
	55.9	44.1	100.0
	100.0	100.0	100.0

Numbers/weight % in row	Law or consultancy firm	Other firm	Banking Finance	Total
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<b>% in column</b>				
<b>2012-2013</b>	24	30	15	69
	34.8	43.5	21.7	100.0
	72.7	60.0	53.6	62.2
<b>2001</b>	9	20	13	42
	21.4	47.6	31.0	100.0
	27.3	40.0	46.4	37.8
<b>Total</b>	33	50	28	111
	29.7	45.0	25.2	100.0
	100.0	100.0	100.0	100.0

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<sup>1</sup> A first version of the first two points was presented in Lausanne in June 2014 at a conference on the economic elites in Europe.

<sup>2</sup> We are putting 'crisis' between inverted commas in order to leave aside the many qualifications of the crisis (financial crisis, debt crisis, euro crisis, euro-area crisis, etc.), the evolution of which is obviously part of the phenomena under study.

<sup>3</sup> Except for the Parliament report on the consequences of the 2013 adjustment programmes (Hoang-Ngoc, 2014).

<sup>4</sup> Adapted from Wikipedia article on Ramon Fernandez,

[https://fr.wikipedia.org/wiki/Ramon\\_Fernandez\\_\(administrateur\\_civil\)](https://fr.wikipedia.org/wiki/Ramon_Fernandez_(administrateur_civil)), accessed on 21 June 2016.

<sup>5</sup> Adapted from Wikipedia article on Klaus P. Regling, [https://en.wikipedia.org/wiki/Klaus\\_Regling](https://en.wikipedia.org/wiki/Klaus_Regling), accessed on 21 June 2016.

<sup>6</sup> Translation of article by Counis, A. (2010), 'Laurence de Rochemont: Une Française au cabinet de José Manuel Barroso', *Les Echos*, 19 April, [http://www.lesechos.fr/19/04/2010/LesEchos/20659-046-ECH\\_laurence-de-richemont-une-francaise-au-cabinet-de-jose-manuel-barroso.htm#gkIlgYvd1Upzzh\]g.99](http://www.lesechos.fr/19/04/2010/LesEchos/20659-046-ECH_laurence-de-richemont-une-francaise-au-cabinet-de-jose-manuel-barroso.htm#gkIlgYvd1Upzzh]g.99), accessed on 21 June 2016.