


2015

Austerity: The History of a Dangerous Idea by Mark Blyth

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Recommended Citation

Grob-Fitzgibbon, Benjamin (2015) "Austerity: The History of a Dangerous Idea by Mark Blyth," *International Social Science Review*: Vol. 91: Iss. 1, Article 7.
Available at: <http://digitalcommons.northgeorgia.edu/issr/vol91/iss1/7>

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Blyth, Mark. *Austerity: The History of a Dangerous Idea*. Oxford: Oxford University Press, 2014. xiii + 304 pages. Paperback, \$19.95.

January 2015 may well go down in the history books as the month that the tide turned against austerity. On the twenty-sixth of that month, the Greek Syriza party swept to victory on an explicitly anti-austerity manifesto. Soon after, Ireland's left-wing parties, particularly Sinn Fein, called for an end to austerity in the Emerald Isle. Only days later, American President Barack Obama firmly rejected austerity in his 2016 fiscal year budget. Such moves no doubt thrilled political economist Mark Blyth, whose book *Austerity: The History of a Dangerous Idea* argues that "austerity is a dangerous idea for three reasons: it doesn't work in practice, it relies on the poor paying for the mistakes of the rich, and it rests upon the absence of a rather large fallacy of composition that is all too present in the modern world" (p. 10). He makes his case by evaluating both the theory and history of austerity economics.

In Part One, Blyth assesses the justifications usually provided for austerity, titled "America: Too Big to Fail?" and "Europe - Too Big to Bail" respectively. In Part Two, he provides an intellectual history of this 'dangerous idea,' beginning with John Locke and David Hume, and progressing to neoliberalism and the recent financial crisis. In his final chapter, he assesses various cases from the twentieth century in which austerity was tried and, in his view, failed. His conclusion is that financial repression and higher taxes on top earners will become a part of the landscape rather than spending cuts. If a government cannot use austerity to cut its way out of debt, then it will have no choice but to raise additional revenue through taxation. This, Blyth argues, is "[n]ot because austerity is unfair, which it is, not because there are more debtors than creditors, which there are, and not because democracy has an inflationary bias, which it doesn't, but because austerity simply doesn't work" (p. 244).

Blyth makes a compelling case that governments should give pause before embarking on a course of austerity. He approaches the subject with a seriousness that is to be welcomed and applauded. Blyth shows convincingly that austerity has brought "class politics, riots, political instability, more rather than less debt, assassinations, and war" (p. 229). He shows in painstaking (and, at times, overly technical) detail the perils of austerity, while simultaneously pointing to sensible alternatives.

Blyth's tone, unfortunately, serves to undermine his well-made argument. He writes as though there is but one obvious economic path forward and any who see other roads must be misreading the map or be lost. Rather than acknowledging that there is room for a valid debate, he preaches with the confidence and certainty of an evangelical minister spreading a universal truth. A case-in-point is his preface, when he describes the "more important" role of the academic as being to "play the role of 'the Bul*1*hit Police.'" He states: "Our job is to look at the ideas and plans interested parties put forward to solve our collective problems and see whether or not they pass the sniff test. Austerity as a route to growth and as the correct response to the aftermath of a financial crisis does not pass the sniff test" (p. x). This implies, of course, that there is unanimous agreement about which ideas do or do not constitute intellectual dung. Although only one minor example, the passage above also illustrates the highbrow snobbery that seems to run as an undercurrent throughout the book. This approach, rather than encouraging thought, can shut down the discussion before it has even begun.

Blyth's zeal, no doubt, comes from the seriousness with which he approaches his subject. He concludes, rather flippantly, that "the deployment of austerity as economic policy has been as effective in us bringing peace, prosperity, and crucially, a sustained reduction of debt, as the

Mongol Golden Horde was in furthering the development of Olympic dressage” (p. 229). Unfortunately, the style of Blyth’s book may mean that it will only ever be used as a song sheet by those who are already in the choir. This is a shame, for there is much within this book that deserves to be read, and that could serve as an essential part of the debate that has yet to take place in any sustained manner.

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