

**ORIGINAL ARTICLE**

# Flexible framing: Analysing innovative austerity talk from a cultural perspective

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This article examines how local policy elites conceptualize and communicate potential innovations to overcome the fiscal crisis. Four austerity frames based on cultural theory are developed: an individualist, hierarchist, egalitarian and fatalist frame. Two expectations are tested by tracing frame usage in austerity speeches by the leadership in Birmingham, Cologne and Rotterdam. First, the modest contribution of the individualist frame in NPM-sceptic Cologne is confirmed, but no evidence is found of individualist dominance in NPM-minded Birmingham. Second, it is shown that leaders in Birmingham and Rotterdam combine elements of multiple frames so as to create a new promising narrative which opens up routes towards innovation. The importance of 'frame flexibility' is stressed to deal with the complexities of coping with the fiscal crisis in ways that are logical (given available views) and innovative (exploring alternative views), and highlight the importance of further developing understandings of such (municipal) coping.

## 1 | INTRODUCTION

As a result of the global financial crisis (GFC) municipalities around the globe have been dealing with austerity roughly between 2009 and 2016. Both in practice and academia a strong call for innovative responses has been expressed, in addition to straight financial cuts (e.g., Raudla et al. 2015; Schmidt et al. 2017). Innovation, however, is contested. In the field of public management, it is usually interpreted as a process of improving existing products and services of public organizations (see Gillinson et al. 2010; Pollitt 2010). It is discussed in terms of efficiency gains and 'doing more with less'. Although spending less money is great in austere times, doing more of the same might not always be a good thing. The relevance of looking only at improvements that fit with the fashionable doctrines can severely limit perspective.

Following Sørensen and Torfing (2011), it is theorized that innovation is also about the exploration of new ideas and concepts that go beyond the dominant doctrine. Being innovative, then, requires the ability to link alternative worldviews and narratives to the major doctrines (see Hood 2000). It involves the capacity to explore unknown

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metaphors as well as exploit dominant views, so that new narratives are established. The exploration of alternative views, for instance, allows the development of ideas for insourcing services in market-oriented environments, or using citizens' initiatives in climates that have been dominated by experts. Despite the increased attention for innovation, it remains unclear how the development of innovative ideas evolves.

This article focuses on rhetorical innovation processes in municipalities that are in fiscal crisis. Emphasis is placed on the frames that local policy elites use when communicating with the public the need for and direction of innovation. The central research questions are:

How have local policy elites conceived the municipal fiscal crisis? To what extent have they used rhetorical aspects from alternative worldviews to move beyond the dominant doctrine and establish a new narrative that paves the way for innovation?

I study the presence and usage of different worldviews and narratives by highlighting four austerity frames, building on cultural theory (Douglas 1982). CT offers the possibility of tracing different conceptions of the crisis and innovative solutions to deal with it, and helps to make sense of the local austerity debate. Two distinct though not strictly mutually exclusive expectations are tested. First, drawing on Pollitt and Bouckaert (2011), I expect that the presence of the individualist frame is related to the importance attached to the NPM philosophy. The *NPM-expectation* suggests that the individualist frame is omnipresent in NPM-minded climates whereas it is largely absent in NPM-sceptic climates. Second, I expect that austerity management is framed in ways that go beyond the dominant worldviews to meet the desire for sweeping innovation. The *variety-expectation* suggests that more than one austerity frame is present in the debates by which local policy elites attempt to set the agenda and pave the way for broader innovation.

I empirically analyse the rhetoric of local policy elites by studying austerity-related speeches. Policy elites are referred to as those 'actors who hold political resources to be utilized to exert potential influence in various stages of the municipal policy process, including agenda setting, policy analysis, policy formulation, policy implementation and policy feedback' (Moyer and Song 2016). Local policy elites, such as mayors, city council members, aldermen, and city managers, are able to frame problems in a specific way, thereby shaping the course of action. Because the assessment of speeches requires intensive analyses in multiple languages, the selection was limited to municipalities in three countries. The analysis requires different cultural environments and different degrees of NPM embracement. Because this variety was found in the UK, Germany and the Netherlands, the cities of Birmingham, Cologne and Rotterdam were selected with a focus on the speeches of the dominant local policy elites.

The article is structured as follows. The next section positions this study in a broader debate by introducing CT against the background of debates about the GFC. In the third section four diverging frames are constructed to enable a systematic analysis of differences in austerity rhetoric. Section 4 details the methodology used to analyse the expectations. The results of the empirical analysis are presented in section 5 and discussed in section 6. Some conclusions are drawn in the final section.

## 2 | FRAMING THE GLOBAL FINANCIAL CRISIS: MAKING SENSE OF THE DEBATE

The GFC that hit most countries in 2008 has been heavily debated. In the early days, debates about the conceptualization and communication of potential crisis solutions were primarily conducted by state leaders and international actors from the EU, central banks and IMF. From 2009 onwards, when the GFC caused major deficits in the whole public sector, the discussions emerged at the local level. The debates have been accompanied by a plethora of diverging narratives and rhetoric about what happened, who is responsible, and solutions to deal with the crisis (Lodge and Wegrich 2011).

In their attempts to make sense of the debates, scholars have increasingly developed rhetorical frames. These frames put emphasis on one or more dimensions within a narrative (Jones and Song 2014) through which ‘the “sellers” of reform (political leaders) attempt to convince cynical and detached “buyers” (the public) of the value and logic of their policy agendas’ (McCann 2013, p. 6). McCann distinguishes between two broad interpretations of the GFC and related frames of policy response: pro-austerity and anti-austerity. The pro-austerity frame focuses on market mechanisms and argues that financial and organizational reforms are inevitable. It suggests that the introduction of more market mechanisms will eventually lead to better performance as the economy recovers. His contrasting anti-austerity frame believes that the government rather than the markets will steer an effective route out of the crisis. It advocates tougher regulation and more activist policies to stimulate economic growth where markets have failed. This frame suggests that cuts and reforms are neither urgent nor unavoidable. Instead, it argues that they are changes that neo-liberal policy-makers would have wanted to do anyway, now only using the crisis as cover. In this position, the crisis provides a window of opportunity to accelerate market-driven reforms that were already in progress but are usually unpopular with citizens and public officials (McCann 2013).

The pro- and anti-austerity frames are comparable to the rival frames that have been developed by Schmidt (2014). In her opinion, the range of EU leaders' ideas about the GFC can be caught in two frames. The neo-liberalism frame includes rhetoric about too much public sector debt, the need for austerity and structural reforms. The neo-Keynesianism frame, on the other hand, suggests that the crisis was caused by too much private sector debt and too little global regulation, and that expansionary state intervention is needed.

## 2.1 | Introducing grid-group cultural theory

Despite the stimulating insights in the studies, these frames remain broad. More specific frames are needed to analyse the development of new solutions to deal with the GFC at the local level. Against this background, the work of Hindmoor (2010) and Lodge and Wegrich (2011, also Lodge et al. 2010) becomes useful. Both studies use CT to analyse national discourses about the banking crisis and the financial crisis, respectively. CT offers a framework for classifying different worldviews according to four cultural archetypes. These archetypes arise from the combination of two basic dimensions of sociality: grid and group. Grid refers to the degree to which people's lives are bounded by rules and conventions (high or low). Group refers to the degree to which people are tied to one another as part of a collective group (high or low). High grid cultural types are characterized by robust forms of stratification in roles and authority, whereas low grid cultural types reflect a more egalitarian order; high group cultural types exhibit a high degree of collective control, whereas there is more emphasis on self-sufficiency in low group cultural types (Douglas 1982). By combining these dimensions, four cultural types arise: individualist, fatalist, hierarchist, and egalitarian (see Figure 1).

The individualist culture is characterized by self-regulation and weak group loyalty. Rules and restrictions are conditional and subject to negotiation. Individualists view the world as an endless source of possibilities equal to all. Because success is seen as an individual matter, government interventions need to be as limited as possible. In this perception, the GFC was caused by the government. They created the too-big-to-fail system through guarantees to banks which gave them the incentive to take exceptional risks, and their efforts to stimulate home ownership among low-income groups started the sub-prime failure (Hindmoor 2010). Solving the crisis, therefore, requires the introduction of market mechanisms rather than more government interventions.

	Low group	High group
High grid	Fatalists	Hierarchists
Low grid	Individualists	Egalitarians

**FIGURE 1** Grid group typology

The fatalist culture is characterized by a plethora of rules and regulations, and weak group loyalty. Individuals have little influence on the ways they live their life, because everything is organized top-down. Distrust and alienation are typical in this environment (Smullen 2007). In this perception, the GFC was caused by the complexity of the system over which people have lost all control. Nobody knows what has really happened; nor does anybody know how best to respond. Fatalists are sceptical about any solutions because bubbles and crashes will occur anyway (Hindmoor 2010).

The hierarchist culture is characterized by strong group loyalty and binding rules and regulations. In this culture, the collective is more important than the individual. Society can live in harmony because different people have different roles (Douglas 1982). Equality is guaranteed by law, and blame is put on those who do not endorse the established rules and regulations (Mamadouh 1999). In this perception, the crisis was caused by inadequate and insufficient regulation to ensure the adequate working of the financial system (Lodge and Wegrich 2011). New rules and stricter procedures are needed to solve the crisis and to prevent new crises from occurring in the future.

The egalitarian culture is characterized by few rules and regulations and strong group loyalty. The environment rejects status differences and prefers rules to be the continuous subject of negotiation (Smullen 2007). Fairness is equality of result and blame is put on the system (Mamadouh 1999). In this perception, the crisis was caused by the destructive effects of greed. Extreme bonuses led bankers to take excessive risks, because they knew that the government would rescue them if the system collapsed (Hindmoor 2010). Solving the GFC lies in the abolition of the bonus system and the introduction of new professional standards, including an oath for bankers.

### 3 | CONSTRUCTING CULTURAL FRAMES FOR AUSTERITY MANAGEMENT

Hindmoor (2010) and Lodge and Wegrich (2011) confirm that CT is useful to analyse the GFC discourse. Their frames, however, are not suitable for direct application in this study as they focus on the causes and effects of the GFC rather than the development of convincing innovative solutions to overcome austerity, and on central governments rather than municipalities. The construction of austerity frames needs further analytical precision.

Several bodies of literature provide ways to operationalize frames. Public policy scholars have increasingly attached value to the narrative policy framework (NPF) (e.g., Jones et al. 2014). The NPF articulates two levels of analysis. With respect to the structure, the framework states that frames must possess four minimal qualities: a setting, a plot, characters, and a moral of the story also known as policy solutions (Jones and McBeth 2010). Referring to the second level of analysis—content—the NPF states that story frames must be anchored in conceptual belief systems such as political ideologies or cultural archetypes. These so-called ‘content anchors’ serve to limit rhetorical variation and enable the generalizability of findings (Jones and McBeth 2010).

The interest here is in how local policy elites have conceived the crisis and whether or not they used unexplored and faraway concepts from alternative worldviews to create a new promising narrative and pave the way for innovation. The focus, therefore, is especially on the moral of the frames (innovative solutions) and its connection with the belief system. For the operationalization of solutions and key beliefs, Hood's work on culture, rhetoric and public management was used as a foundation. Hood (2000) has developed four frames to capture the diverse rhetoric of public management. Each frame presents a different perspective on ‘who counts as a public manager, what management means, what best “best practice” amounts to and who or what needs to be blamed when things go wrong’ (Hood 2000, p. 222). Hood demonstrates that the use of different frames fosters creative thinking about available forms of management and the exploration of new ideas to deal with problems. In a similar fashion, four frames of austerity management are developed in this study.

Austerity management can loosely be defined as the problem of how to rebalance fiscal budgets against the background of increasing demands for organizational performance (see Overmans and Noordegraaf 2014). It is accepted that austerity and budget cuts are not just about adjustments in the allocation of resources, but particularly about what people find important, about the preferences of a society as much as of its organization (Wildavsky

1997). The conceptualization of the municipal fiscal crisis and communication of potential solutions can be captured in four specific austerity frames. Each frame is discussed in turn below.

### 3.1 | Austerity management the individualist way

Individualists believe that the world is populated by rational choosers that prioritize self-interest. Having a strong belief in market mechanisms, they think that government interventions need to be as limited as possible and that success is an individual matter. Organizations, especially public ones, are bad by definition and are only accepted if their existence is truly inevitable. Even then, public organizations should be run as if they were a business. An individualist explanation of the fiscal crisis will point to the underperforming public sector. Old-fashioned governments lack the resilience to deal with the effects of the GFC because of their massive debts (Hindmoor 2010), reckless spending in periods of economic prosperity (McCann 2013) and inefficient procedures (Pollitt 2010). Individualists suggest that the renewed introduction of market mechanisms will solve the crisis and prevent new crises from occurring.

Since rivalry and competition are central to the individualist doctrine, they provide the conceptual foundations of austerity management the individualist way. The strong belief in utility maximization is reflected in the rationality of austerity management, such as the use of service reviews and savings evaluations in order to make targeted cuts. Their faith in the 'big society' places emphasis on the reduction of expenditure rather than an increase in revenue to rebalance budget. When individualists speak about innovation, they refer to organizational ideas of outsourcing municipal services, increased efficiency or sustainable performance delivery. Performance instruments and monitoring activities are introduced to uncover waste and improve efficiency. Individualists use the crisis to roll back the government and introduce new management ideas to run municipalities better.

### 3.2 | Austerity management the fatalist way

Fatalists believe that the world is occupied by passive voters and consumers that should live with the bad consequences of decisions over which they have no influence. Stressing the unpredictability of crisis periods and the uncertain effect of solutions, fatalists plead for managerial reticence. They consider bubbles and crashes as unique and unpredictable crises that can only be understood in retrospect. A fatalist explanation of the fiscal crisis will stress the complexity of the global financial system and the assumption that nobody truly knows what has happened. Fatalists are deeply sceptical about solutions as they are as likely to worsen as to solve the problem.

Austerity management the fatalist way embodies a rather passive and random strategy to deal with the fiscal crisis. At most, it involves the unwilling adoption of ad hoc responses and cosmetic cuts, and denial and delaying tactics. Fatalists accept that it is impossible to anticipate the next crisis. Because any attempt to secure the future is condemned, no importance is attached to the development of innovations. Instead fatalists surrender to the crisis and hope for better times to come.

### 3.3 | Austerity management the hierarchist way

Hierarchists believe that the world is composed of different groups of people such as families, organizations and societies. They argue that the existence and wide recognition of mandatory rules and authority are crucial for a group's orderly functioning. They believe that individual desires should be sacrificed to the needs of the whole (Hood 2000). Instead of letting the markets decide what is good for the people, hierarchists have a strong belief in a proactive public sector and the decisive role of experts to steer the group in the right direction. A hierarchist explanation of the fiscal crisis will emphasize the lack of order and the hampering of the regulatory system. They will argue that the crisis was caused by the regulators' failure, for instance, to ensure minimal levels of capital and liquidity within the banking system (see Hindmoor 2010), or the full compliance of member states with the rules of the fiscal Stability and

Growth Pact. Hierarchists suggest that more and stricter rules as well as a more active government are needed to steer society effectively out of the crisis.

Because hierarchists have a strong belief in the capabilities of financial experts and their dedication to the orderly functioning of the group, austerity management the hierarchist way will focus on stricter procedures, more planning and foresight, clearer assignment of authority, and more managerial grip. The process is likely to be defined and dominated by financial experts. There is a clear centralization of power, with rule-based and top-down budgeting, and more power for the finance department. In order to maximize the autonomy of municipal experts, the influence of associated bodies should be as limited as possible. When hierarchists speak about innovation, they refer to ideas for improving the institutional structures of regulation and oversight, such as the development of new budgeting rules, or the establishment of tighter financial agreements and new regulative bodies. Hierarchists exhibit a robust faith in the directing role of the government to regulate the crisis and restore societal order.

### 3.4 | Austerity management the egalitarian way

Egalitarians believe that the world is composed of different groups of people that share a set of beliefs and values that are important to them. Rather than accepting the power of overpaid hierarchical managers, they heavily rely on group self-management and participative forms of decision-making. An egalitarian explanation of the fiscal crisis will stress the pernicious effects of greed (see Hindmoor 2010) and the opportunism of top officials (see Hood 2000). Because egalitarians have a strong belief in communitarianism and participative organization, they think that the solution to the crisis must not be sought in more market mechanisms or more expertise, but in the empowerment of the affected groups.

Austerity management the egalitarian way is likely to be organized bottom-up to limit the damaging influence of power-hungry top officials and know-it-all financial experts. Alternatively, they will use participative forms of austerity management and budgeting to solve the crisis fairly. Sharing-the-pain strategies are more likely in this position, because they contribute to morale and team spirit, and unite members of an organization. When they speak about innovation, egalitarians refer to ideas that increase the democratic level and transparency of decision-making, citizen

**TABLE 1** Four frames of austerity management

	Individualist frame	Fatalist frame	Hierarchist frame	Egalitarian frame
Approach	Using the crisis	Surrendering to the crisis	Regulating the crisis	Communitizing the crisis
Emphasis	Markets, rationality and utility maximization	Unpredictability and unintended effects	Fiscal expertise, forecasting and management	Group self-management, participation, and power
Blame	Faulty incentive structures through over-collectivization and old-fashioned public organizations	Volatile economic circumstances, uncertainty regarding national austerity policies	Poor compliance with financial procedures, improper financial system	Abuse of power by national government, unfair distribution of national austerity policies
Response	Targeted cuts based on rational forms of austerity management (analysis shows)	Cosmetic cuts and minimal austerity management (nobody knows)	Centralized cuts and expert forms of austerity management (expert knows)	Across-the-board cuts and participative forms of austerity management (community knows)
Innovations	Performance and efficiency-related improvements	No importance attached to innovations	Regulative and procedural improvements	Democratic and participatory improvements
Watchwords	Choices, efficiency, performance	Downsizing the crisis, denial, scepticism, passivity	Steering, local autonomy, multi-year plans	Fairness, consultation, community participation

participation, or coproduction. Egalitarians communitize the crisis to create a local communitarian state (see McCann 2013) where austerity management is managed mostly without managers.

Table 1 summarizes the four austerity frames and provides a clear coding framework to trace different conceptions of local policy elites about the fiscal crisis and innovative responses to deal with it.

## 4 | RESEARCH DESIGN

### 4.1 | Study setting

A cross-national comparative approach was used to test the validity of the two expectations. Contextual diversity was needed in two different ways. First, to test the variety-expectation, municipalities with different dominant cultural worldviews were needed. Second, to test the NPM-expectation, municipalities with differences in the level of adoption of the NPM philosophy were needed. Because there are almost no data about municipal cultures, I started from the national positions. This is not problematic because it is argued that despite a certain level of cultural heterogeneity within countries, urban regions tend to group into national clusters (Minkov and Hofstede 2014). Informed by their comparison of governance regimes, Pollitt and Bouckaert (2011) distinguish between three dominant philosophies: the public interest model, the continental European model, and the consensualist model. The public interest model, dominant in countries such as the UK, is according to the authors open to the performance-driven and market-favouring ideas of NPM and is likely to stimulate sweeping reforms to roll back the government. The continental perspective, the central paradigm in countries such as Germany and France, considers the state to be the central integrating force within society. Pollitt and Bouckaert (2011) argue that such regimes are more traditional and less hospitable to NPM ideas. A third type are the consensualist regimes, including the Nordic states and the Netherlands. Although these regimes often borrow from NPM, the consensualist system tends to 'blunt the sharper corners of NPM, leading to less outright criticism of the government, a cautious rather than wildly enthusiastic approach to privatization and less rapid style of implementation' (Pollitt and Bouckaert 2011, p. 64). These considerations, along with the fact that the UK, Germany, and the Netherlands score differently on several important dimensions of Hofstede's (2011) cultural model, such as individualism, uncertainty avoidance, and long-term orientation, determined a focus on these countries.

Within the countries, the cities of Birmingham (UK), Cologne (Germany) and Rotterdam (the Netherlands) were selected. The case selection was primarily determined by the presence of austerity. All three cities were seriously hit by the GFC. In fact, they have had the doubtful honour of coping with the largest fiscal squeeze in their countries. In all three municipalities, austerity management has been a topic of great concern with maximum attention from the local policy elites. In the background other characteristics also played a role, making Birmingham, Cologne, and Rotterdam interesting to compare. For instance, all three cities were heavily bombed during the Second World War; they share a history of major post-war reconstruction. In addition, all three cities have a comparable economic tradition with a key role of heavy industries. Prosperous economic conditions attracted many blue-collar workers to move to the cities in search of jobs. Finally, the demographic conditions show many similarities: such as a large number of inhabitants, a significant and growing share of ethnic minority groups, a substantial role for the labour party in running the city, and so on.

### 4.2 | Data sources

This study draws extensively on 13 significant speeches that local policy elites delivered to communicate with the public about the need for and directions of innovations to overcome austerity. The municipalities were actively requested to provide speeches which substantially covered the GFC and the fiscal crisis in their municipality between 2010 and 2015. Because this article focuses on the official story, only formal accounts were analysed. It was argued

that the method of delivery might vary, and examples of speeches were given. A wide range of documents was provided by the municipalities, ranging from savings reviews to business plans and from financial statements to audit reports. In general, given the proactive attitude of the municipalities to cooperate, it can be confidently expected that all major arguments are present. After examining the documents received, one type of account was selected, that is, the local policy elites' (written) address in which they communicated with the city council (and the citizens) about the fiscal crisis and the directions to overcome the crisis. In Birmingham this was the Council Leader's Budget Speech, in Cologne the speeches by the Mayor and the City Treasurer (*Rede anlässlich der Einbringung des Haushalts*), and in Rotterdam the Budget Speech (*Kaderbrief*) by the Council for Mayor and Aldermen (CMA). Thirteen extensive speeches were included that substantially covered the conceptualization and the communication of potential crisis solutions (see Table 2).

### 4.3 | Data analysis

Based on the theoretically deduced austerity frames, a *Nvivo-10* database was created that included the main features of the four austerity frames: perspective, emphasis, blame, response, innovations and watchwords (Table 1). As indicated, qualitative data in the austerity speeches by local policy elites were categorized according to their implied grid-group characteristics and their fit with the austerity frames (see Lodge and Wegrich 2011). The classification of frames was carried out by two independent researchers to check on inter-coder reliability. The kappa of 0.78 indicates a strong degree of coding agreement (the common interpretation of kappa is substantial agreement between 0.60 and 0.80; and near perfect agreement between 0.80 and 1.00). The remainder of this article presents the aggregate picture of frame presence in the speeches between 2010 and 2015.

## 5 | FINDINGS

In sum, 817 references in 13 speeches were traced that covered a total of 168 pages. The claims referred to all different frames. The Birmingham case generated 404 references in four speeches, the Cologne case 243 references in

**TABLE 2** Speeches investigated

Birmingham	Rotterdam	Cologne
1. Leader's Budget Speech 2012	5. <i>Kaderbrief</i>	10. <i>Rede Oberbürgermeister</i>
2. Leader's Budget Speech 2013	(Budget Letter) 2010	(Mayor's Budget Speech) 2010
3. Leader's Budget Speech 2014	6. <i>Kaderbrief</i> 2011	11. <i>Rede Oberbürgermeister</i> 2011
4. Leader's Budget Speech 2015	7. <i>Kaderbrief</i> 2012	12. <i>Rede Oberbürgermeister</i> 2012
	8. <i>Kaderbrief</i> 2014	13. <i>Rede Stadtkämmerin</i> (City Treasurer's Budget Speech) 2013
	9. <i>Kaderbrief</i> 2015	

**TABLE 3** Descriptive statistics

	NPM-minded		NPM-hybrid		NPM-sceptic	
	Birmingham		Rotterdam		Cologne	
	#	%	#	%	#	%
Individualist frame	141	35%	72	42%	42	17%
Fatalist frame	21	5%	9	5%	11	5%
Hierarchist frame	96	24%	43	25%	137	56%
Egalitarian frame	146	36%	46	28%	53	22%
<i>Total</i>	404	100%	172	100%	243	100%

# = number of claims that refer to particular frame, % percentage of total frame usage.



four speeches, and the Rotterdam case 172 references in five speeches. The descriptive statistics are shown in Table 3. Each municipality is discussed in turn before some comparative findings are presented.

## 5.1 | Framing the fiscal crisis and innovative responses in Birmingham

Birmingham City Council has been dealing with an unprecedented fiscal crisis. A combination of declining revenues and increasing demands for services generated a major shortfall of £600m (€760m), half of the city's manageable budget. The fiscal squeeze brought Birmingham to an existential crisis: more than a third of the administration had to be axed and the municipality had to limit its activities to provide only those services for which it had a statutory responsibility. Because little could be done to generate extra income through council taxes, severe austerity responses were necessary from 2010 onwards.

Since the UK belongs to what Pollitt and Bouckaert (2011, p. 161) describe as the NPM core group, there was expected to be a strong dominance of the individualist frame in the speeches by the Council Leader. To an extent, the data confirm this expectation. In all, 141 references (35 per cent) were traced that neatly fit with the individualist frame. Individualist references typically emphasized the lack of performance and need to reform the administration. For instance, the 2013 speech states:

The scale of the problem we are facing means we cannot simply make year on year efficiency savings. We have to plan for a radical change in what the council does and how it does it, and that will take years to bring about. So we have already begun a program of fundamental service reviews that will identify the activities that contribute most to our objectives, those that could be done more cheaply and those that could be discontinued. (Birmingham 2013, 10)

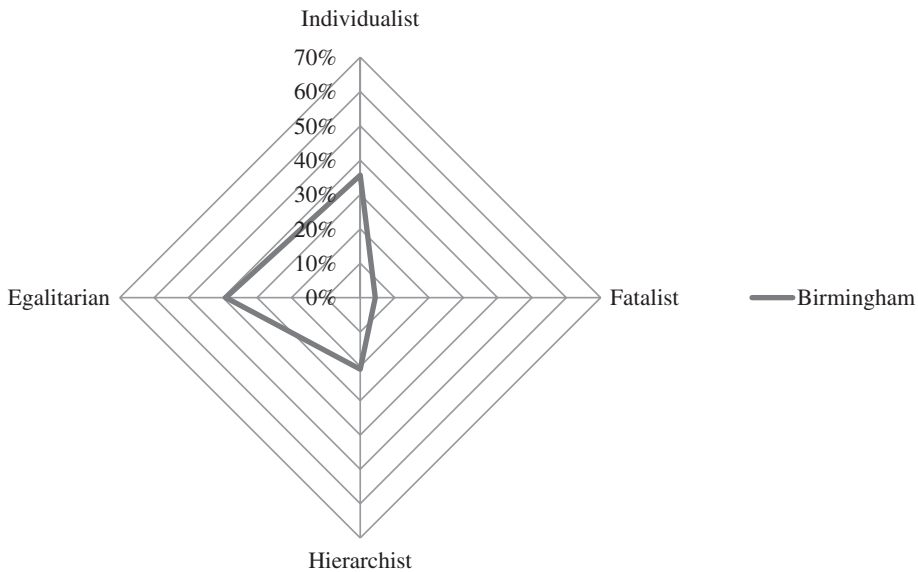
This quotation illustrates the expressed need for sweeping innovation, but also the importance of rational decision-making and long-term organizational performance. Despite the evident presence of the individualist frame, however, it is not possible to confirm a strong dominance of the individualist frame. On the contrary, with 146 references (36 per cent) the egalitarian frame was in fact traced most often.

Rather than a strict focus on business-like improvements, the Leader's rhetoric was packed with egalitarian aspects like bringing fairness to the city, protecting vulnerable people in society and using ideas from the community. The 2013 speech states:

There was also strong support in the consultation for our key priorities. But there were strong concerns about the impact of cuts on the voluntary sector and on vulnerable children and young people. We listened and have responded to all of these concerns in our final budget proposals. (Birmingham 2013, 12)

This quotation suggests that the municipality exhibits a strong faith in the value of community involvement rather than using it only for decorative purposes. Noticeable is the rather large presence of hierarchist references in the speeches. A total of 96 references (24 per cent) were traced that focused on ideas to regulate the crisis and talked about taking responsibility proactively, the need for financial experts and more and better financial forecasts. Only a relatively small part of the discourse (21 references, 5 per cent) was in line with the fatalist view. These references were usually concerned with issues of scepticism, and accusing the opposition parties of being fatalistic.

The Birmingham case generates a story of a municipality dealing with extreme levels of fiscal stress. The expected dominance of the individualist frame was not supported by the data. When communicating with the public, the Leader did not rely solely on the individualist frame, but instead he used multiple frames (Figure 2). Rather than building only on fashionable elements, he deviated from the normal path and went another way. He drew on unexplored concepts and ideas from alternative worldviews to create a new



**FIGURE 2** Austerity framing in Birmingham

promising narrative. The creation of this different narrative has to be considered as the first stage of innovation, and paved the way for the second stage; that is, the actual development of unconventional responses. For instance, by accentuating unfamiliar egalitarian elements—such as greed, fairness and the abuse of power—the Leader reframed the fiscal crisis and smoothed the path for democratic and participatory improvements in Birmingham.

## 5.2 | Framing the fiscal crisis and innovative responses in Cologne

A large fiscal challenge was also recognized in Cologne. Dealing with yearly fiscal deficits between €200m and €300m, the municipality faced a serious financial crisis. Managing austerity was nothing more than a necessary step in surviving as an independent municipality, as doing nothing would leave Cologne with a massive annual deficit of €447m as well as being subjected to the directives of the oversight agency (*Kommunalaufsicht*). The situation prompted large-scale recovery programmes with revenue- and expenditure-related measures.

Because previous research (Pollitt and Bouckaert 2011) has argued that Germany has always been very sceptical of the NPM philosophy, it was expected that only a small presence of the individualist frame in Cologne would be found. The evidence confirms this and tells an entirely different story from the Birmingham case. In the speeches delivered by the Mayor (*Oberbürgermeister*) and the City Treasurer (*Stadtkämmerin*), 42 references (17 per cent) were traced that referred to the individualist frame. In Cologne, the individualist claims usually refer to rational decision-making and organizational reform. For instance, the 2010 and 2012 speeches state:<sup>1</sup>

The service review presents a strong and clear need to reform the organization, its people and its structure. (Cologne 2010, 5)

Demands for new equipment have to be examined on simplicity and cost effectiveness. (Cologne 2012, 7)

<sup>1</sup>All quotations from the speeches in Cologne and Rotterdam were translated into English to increase the readability of this article.

Many other aspects of the individualist frame, however, were strongly rejected. The quotation below, for instance, illustrates that the introduction of market mechanisms was seriously condemned.

The privatization of local enterprises remains taboo; our municipal societies are not for sale. They are the anchor points for economic stability and important for safeguarding the general interest! (Cologne 2011, 2)

Rather than focusing on the markets to steer an effective route out of the crisis, hope was invested in the government. The vast majority of references (137 references, 56 per cent) fitted precisely with the hierarchist frame. The leadership placed great emphasis on the collapse of the financial system, and the immediate municipal interventions that were needed to restore order. For instance, this is taken from the 2010 speech:

The municipal financial system has totally collapsed. ... The current deficit forces us to do whatever is necessary to preserve our local autonomy. We will do whatever it takes to stay away from an emergency plan for the City of Cologne; we will do whatever it takes to stay away from a mandatory deficit reduction plan which will force us to consolidate our debts within four years. (Cologne 2010, 1)

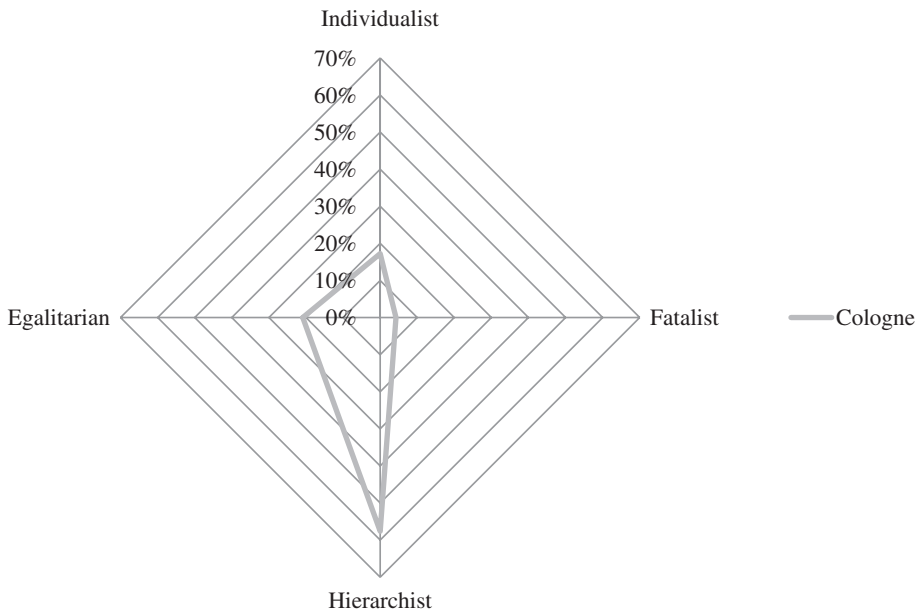
This quotation illustrates the way the crisis was perceived in Cologne. It also shows that retaining substantial local autonomy was considered essential for maximizing the range of possible solutions to deal with the crisis.

Although the impact of the crisis for residents was unmistakable, the data show that the role of common people was subordinate to the role of public officials, especially financial experts. It was the experts that set out the plan for specific action; residents had to trust the municipality, especially the finance department, for its expertise. For instance, the 2011 speech states:

In a period of difficult financial conditions, prudent action is required. Continuity and reliability are highly important to our citizens. Especially in difficult times, citizens need a recognizable track with secure guardrails. With this 2012 Budget and the related medium-term financial forecast, we lead the people in the right direction. ... The people in the city can trust us. We have demonstrated our competences through reliable and sound financial policies in recent years. (Cologne 2011, 1–3)

The dominance of the hierarchist frame is indisputable. Nevertheless, the data also reveal the use of other frames. In addition to the relatively limited use of the individualist frame, 53 references (22 per cent) were traced in the egalitarian frame. Typically, these claims stressed the importance of fair and balanced responses, and the involvement of external partners. The speeches, however, do not contain any evidence of actual events of community involvement or participation. Instead, the role of residents in steering the municipality out of the crisis can better be described as passengers than as co-pilots. Comparable to Birmingham, a small number of fatalist references (11 references, 5 per cent) appeared in the speeches. They typically referred to issues of uncertainty and hesitation.

The Cologne case produces another story of a municipality in the eye of a storm. In line with expectations, and the dominance of the hierarchist frame at the expense of the individualist frame was observed. More interesting, however, is the unexpected absence of alternative frames in Cologne. The Mayor and City Treasurer relied strongly on the hierarchist frame to conceptualize the crisis and possible solutions (Figure 3). Rather than exploring stories and metaphors from alternative worldviews, they focused primarily on conventional ideas and concepts from the fashionable doctrine. The lack of exploration has limited the leadership's perspective and inhibited the establishment of a new narrative. There was little evidence found of a deviating story that opened the way for innovation in Cologne. Because the narrative did not change, solutions were not very innovative in terms of developing new and unconventional ideas.



**FIGURE 3** Austerity framing in Cologne

### 5.3 | Framing the fiscal crisis and innovative responses in Rotterdam

Due to a serious combination of declining revenues and increasing expenditure on public services, Rotterdam was dealing with the gravest financial challenge in its history. The municipality had to cope with an annual deficit of €260m. It outweighed anything implemented during previous fiscal crisis events. Due to the limited possibilities to increase revenues with higher council tax, the deficit had to be closed with expenditure cuts, such as axing 2,500 jobs (more than 20 per cent) from the administration.

Because the Netherlands occasionally 'borrowed from the NPM rhetoric, though only selective and cautiously from practice' (Pollitt and Bouckaert 2011, p. 161), the clear presence of the individualist frame was expected, but also and maybe more importantly a more equal frame distribution than in NPM-minded climates. The evidence confirms this expectation. Unlike the situation in Cologne, there is no strong dominance of one specific frame in Rotterdam. A total of 72 references (42 per cent) were traced that fitted with the individualist austerity frame, typically stressing notions of an underperforming municipal organization with unnecessary high levels of costs. For instance, the 2010 speech states:

[We envision] a smaller government with fewer people, which focuses on those areas where the government is indispensable and where it has a clear task. The implementation has to be efficient and excellent, with fewer rules and less bureaucracy. (Rotterdam 2010, 2)

In the first place we will look critically at our own organization. Excellent performance is central; introducing new policy is subordinate. We will uncover possibilities for better efficiency, such as by improving our procurement, by reducing benefits for employees, by reducing the number of communication officials, by reducing the internal bureaucracy, and by cheaper services. At the end of 2015, 1,000 officials have left the organization. This requires substantial organizational change and fundamentally different ways of working. (Rotterdam 2010, 10)

These quotations illustrate the importance attached by the CMA to ensuring that the role of the municipality will be as limited as possible, and that the administration is run as efficiently as possible.

Despite the large presence of the individualist frame, however, many other references were traced, especially from the egalitarian and hierarchist frames. There were 46 claims (28 per cent) that referred to the egalitarian frame. Egalitarian claims usually considered aspects of transparency and a joined-up approach between the municipality and its external partners and residents. For instance, the 2010 speech states:

In line with our ambitions of transparency, there must be enough room for diversity and initiatives by citizens. The CMA therefore provides funding and invites citizens to come up with new initiatives. (Rotterdam 2010, 4)

This quotation—especially the part that states that funding is available—is illustrative of the municipal desire to involve the community for developing solutions to deal with the crisis. However, no evidence of actual participatory processes or other residents' influences on adjusting budget priorities was found. Instead, the solid presence of the hierarchist frame (43 references, 25 per cent) suggests an active role of the financial experts. Hierarchist references typically addressed the importance of solid finances and the importance of comprehensive budget forecasts. For instance, the following is taken from the 2010 speech:

The economic recession has consequences for public finances, both at national and local level. That we need to cut back expenses is beyond dispute. ... Doing nothing is not an option. It might even generate extra costs for society if we don't intervene at this moment. (Rotterdam 2010, 1)

This quotation clarifies the expressed importance of active governmental interventions to steer the city out of the fiscal crisis. Comparable to the other cases, a small number of fatalist references (nine references, 5 per cent) appeared in the speeches, typically referring to issues of uncertainty.

The Rotterdam case generates a third story of a municipality dealing with fiscal stress. Based on the hybrid NPM character of Rotterdam, it was expected that the individualist frame would be important but that other frames would also be present in the debate. The data confirm this expectation, but it is interesting that the individualist frame was more dominant here than in NPM-minded Birmingham. Nevertheless, the CMA used a wide variety of austerity frames to present the crisis in terms of what happened, who or what was responsible, and putting forward convincing solutions (Figure 4). Rather than adhering to one single conception of the crisis and possible solutions, the leadership accentuated ideas and concepts from different doctrines. This fostered the establishment of a new narrative and created room for the development of innovative solutions. Because the leadership placed emphasis on individualist, egalitarian and hierarchist aspects, the ideas in Rotterdam varied from efficiency-related improvements to procedural improvements to participatory improvements.

## 5.4 | Comparing the results against expectations

Generally, the use of the hierarchist, individualist, and egalitarian frames is most common. They cover around 95 per cent of all references. The importance of the fatalist frame, however, should not be overlooked. No politician wants to be accused of denying the crisis, delaying the development of solutions, or other forms of poor austerity management. But when leaders are confronted with scarcity and uncertainty, the chances of fatalistic behaviour are likely to increase (Caiden and Wildavsky 1974).

It is not possible to strongly confirm the NPM-expectation that individualist framing is more likely in NPM-favouring climates. Although numerous claims in NPM-minded Birmingham refer to the individualist frame, similar emphasis is placed on the egalitarian frame. The evidence from Cologne and Rotterdam is more in line with expectations. Individualist framing is rather trivial in NPM-sceptic Cologne where the hierarchist frame dominates the discourse. The idea of multifarious framing in hybrid Rotterdam is also supported by the data, although a strong presence of individualist claims was found. It is confirmed that different conceptions of the crisis and potential

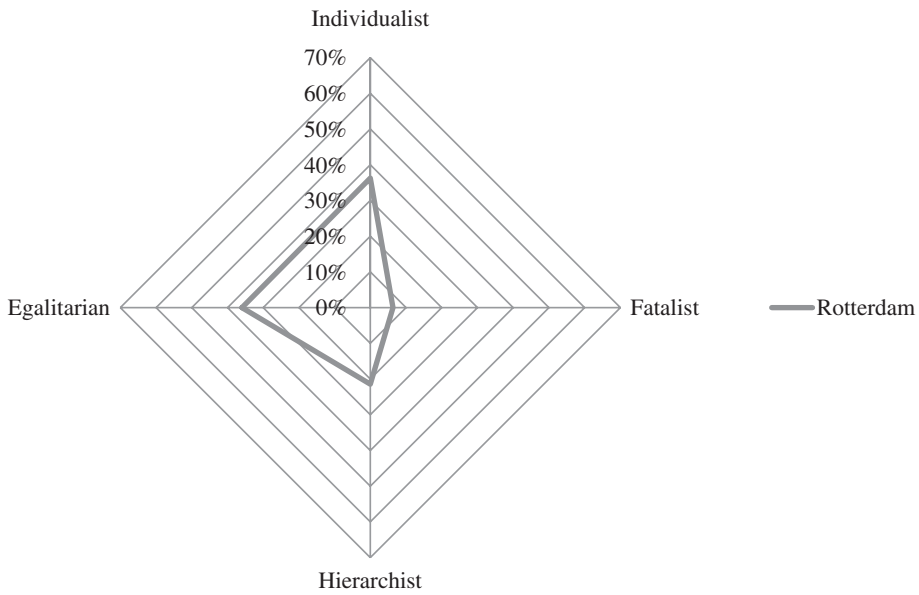


FIGURE 4 Austerity framing in Rotterdam

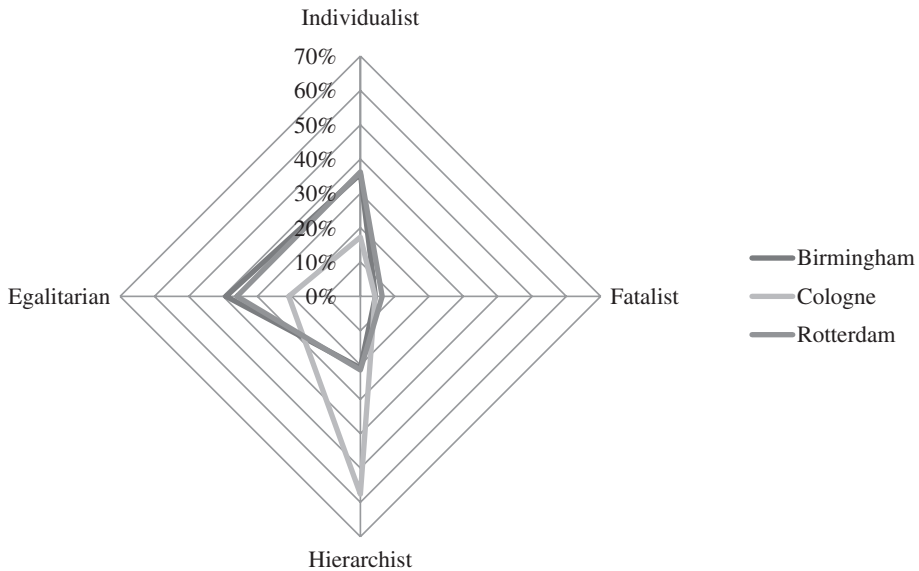


FIGURE 5 Austerity framing in Birmingham, Cologne and Rotterdam

solutions exist in the empirical debates. Nevertheless, one should be cautious about attributing these differences to the various degrees of NPM adoption.

The variety-expectation was introduced to discover whether or not local politicians have moved beyond the dominant frame in order to pave the way for innovation. There was a clear difference between Birmingham and Rotterdam on the one hand, and Cologne on the other (Figure 5). In Birmingham and Rotterdam, the elites have used aspects from different worldviews by which they established a fresh narrative. In contrast, the elites in Cologne were more rigid and focused mainly on the fashionable hierarchist frame. It is concluded that Birmingham and Rotterdam

were more innovative than Cologne, as the elites managed to combine elements of alternative austerity frames to create a new narrative which paved the way for innovation.

## 6 | DISCUSSION

In line with previous findings (e.g., Hindmoor 2010; Lodge and Wegrich 2011) this article shows that the rhetoric that local policy elites have used to frame the crisis and potential solutions can be captured with four austerity frames, especially the individualist, hierarchist, and egalitarian frames. It is important, however, to stress the significance of the fatalist frame, which is too often disregarded in CT studies. Although it is acknowledged that the frame is used only selectively in the speeches, this article's contribution to CT lies in the argument that the fatalist frame remains important as elites can use it consciously to accuse other parties of being fatalistic or to stress the unpredictability of an encounter. Familiarity with and selective use of the fatalistic frame can help the policy elites to protect their image and set the course of action. Future researchers are encouraged to include and materialize the fatalist frame in their empirical investigations.

The main finding of this study is that a new narrative offers leeway for the development of innovative solutions. New narratives arise when policy elites successfully intertwine unexplored and faraway concepts from alternative worldviews with concepts from the fashionable doctrine. By stressing the importance of such 'frame flexibility', this article moves away from a static focus on frames towards a more dynamic understanding of the framing process. This is important because several authors (e.g., Van Hulst and Yanow 2016) have argued that the public does not always realize that problem definitions are not given, but are framed by the leadership. This article opens up the processes through which such framing occurs in municipalities that are dealing with a serious crisis. It provides a first answer to scholarly calls (Van Hulst and Yanow 2016) to increase empirical insights into the processes of policy framing. It is argued that how policy elites do this, and how successful they are, varies from city to city. But it is demonstrated that it is definitely possible to move beyond the dominant frame, create a new narrative and pave the way for innovation.

The evidence confirms the NPM-expectation in Cologne and Rotterdam, but not in Birmingham. One possible explanation for the moderate contribution of the individualist frame in Birmingham might be that the municipality is not as NPM-minded as the national government in the UK. Another explanation might be related to the political composition of the leadership. It may be attractive to assign the differences to the influence of the Labour Party who long controlled the city. But this idea is not supported by the evidence. Rather than using the hierarchist frame, the elites put emphasis on the egalitarian frame. Another observation, that is, political fragmentation, might explain the differences. After decades of overall control by the Labour Party, Birmingham City Council has been fragmented since the 2000s. This may have resulted in a political climate that is more open to deviant cultural perspectives and strives for consensus. Future researchers are invited to further clarify the relationship between the influences of party politics and governance regimes, and the development of different types of innovations.

Regarding variety-expectation, a distinction is found between two innovative municipalities and one more or less changeless municipality. One possible explanation for the strong dominance of one single frame might be in the absence of a need or desire for widespread innovation. The cautious attitude in Cologne towards innovation aligns with recent empirical findings in German municipalities (Overmans and Timm-Arnold 2016). The preference of local policy elites to exploit proven solutions over the exploration of new ideas might explain the homogeneous framing in Cologne.

Of course there are methodological drawbacks. First, the findings are restricted to three municipalities in three countries. The analysis of speeches in other municipalities, or in other countries, might generate different results. Although these results might be unsuitable for making sweeping generalizations, the framework and the appropriateness of the frames to serve as a coding tool for the analysis of the austerity discourse is acceptable. This deficiency is not considered to be problematic because the aim was not to prove what the dominant cultures are but how the elites have been using elements of other frames to create a new narrative. Second, appropriate municipalities with

different cultural worldviews and different levels of NPM adoption were selected. Because there are no data about the local environments it was necessary to rely on national positions. Despite the evidence that subnational regions are likely to group into national clusters (Minkov and Hofstede 2014), there might be more heterogeneity within countries. Third, the focus was only on the formal accounts. The inclusion of other accounts, such as opposition statements or newspaper articles, might generate other views. Although these views might affect the debate, the development of new ideas remains the core business of policy elites.

## 7 | CONCLUSION

The aim of this study was to clarify how local policy elites conceived the fiscal crisis, and to find out if they used rhetorical aspects from alternative worldviews to pave the way for innovation. It has been shown that elites indeed have different conceptions of the crisis, and that these differences can be captured with four frames. When policy elites conceive the crisis in a hierarchist way, they focus on the hampering regulative system and open the way for regulative and procedural innovations. If they stress the individualist frame, elites will point to the underperforming public sector and pave the way for performance and efficiency-related innovations. If the crisis is framed in an egalitarian way, they will stress the need to empower affected groups and smooth the path for democratic and participatory innovations. Even policy elites who accept that it is impossible to anticipate upcoming crises will likely use aspects of the fatalistic frame such as delaying tactics.

It is concluded, however, that austerity framing is not necessarily rigid. On the contrary, the only way to foster innovation is for elites to use unexplored concepts and metaphors and develop new narratives that enable them to speak convincingly to the public. The article disentangles the processes of combining aspects of different frames for the creation of a locally nuanced frame, which is lacking in CT research. This article also puts emphasis on the possibilities of local policy elites to create leeway and pave the way for preferred policy changes. Although there are limits to the ability of policy elites to move beyond the dominant doctrine, the evidence shows that some leaders are able to develop a new narrative that stimulates the development of new ideas. Unless the elites' understanding of their possibilities and their sense of innovation change, genuine innovation will remain elusive. In any case, timing is crucial: once policy frames are captured by an institution, they are not likely to change (Jones and Song 2014).

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