European Discourses on managing the Greek crisis: denial, distancing and blaming

Paper prepared for the Annual PSA Conference Manchester, 14-16 April 2014

Professor Dimitris Papadimitriou, Politics, University of Manchester

Email: dimitris.papadimitriou@manchester.ac.uk

Dr Sotirios Zartaloudis, Politics, History and International Relations, Loughborough University

Email: s.zartaloudis@lboro.ac.uk

Abstract

This paper examines European discourses during the recent Euro crisis with regard to the Greek case. It argues that the Greek crisis triggered major changes in both coordinative and communicative Eurozone discourses. Regarding the former, the decision to involve the International Monetary Fund in the Greek bailout programme through the so-called 'Troika' introduced an unprecedented element of external interference in the Eurozone. Regarding the latter, three key shifts are identified: (i) an increasing doubt over the Euro as a strong currency underpinned by sound economic fundamentals; (ii) the growing suspicion over the rigour and impartiality of policing the 'rules of the game'; and (iii) an explicit acknowledgement of the possibility of a Euro-exit, despite unequivocal Treaty clauses to the opposite. These discursive shifts map onto different stages of the management of the Greek crisis. Hence, after an initial narrative of denial, European leaders acknowledged that the EU lacked the necessary tools to deal a wider Eurozone problem. The creation of the European Financial Stability Facility in May 2010, however, was very much portrayed as a means of dealing with a Greek 'exceptional' case. After November 2011 another discursive taboo was broken: the threat of a Greek exit from the Eurozone ('Grexit'). Although still not entirely dismissed, the 'Grexit' discourse only begun to subside after June 2012 as European leaders sought to support Greece's fragile pro-bailout coalition government.

Introduction

Since the beginning of the financial crisis a number of studies have dealt with the deficiencies of Economic and Monetary Union (EMU) (cf. Dinan 2012; Caporaso and Min-Hyung 2012) and the effects of the Eurozone crisis on member states' politics (cf. George and Panizza 2013). This paper aims to examine an often neglected aspect of the Eurozone's recent troubles; that is, the evolution of European discourses on the 'rescue' of Greece. For the purposes of this paper we focus our analysis predominantly on discourses by senior EU officials, rather than the wider public debate on the fate of Greece which also included the media and other more specialised epistemic communities. Our analysis is grounded on the conceptual literature of Discursive Institutionalism, using an extensive dataset of media reports from one of the largest databases on EU affairs, *Euroactiv*,[1] and other leading European newspapers.

Discursive Institutionalism (DI) has been recently introduced as a novel variant of New Institutionalism (for a review, see Hall and Thompson 1996), highlighting the importance of studying "the substantive content of ideas and the interactive processes by which ideas are conveyed and exchanged through discourse" (Schmidt 2008: 3). In addition, DI focuses on how ideas and discourse (understood chiefly as the communication and representation of certain ideas and/or the discursive interactions between actors) affect policy change or continuity (cf. Schmidt 2010: 306-312). With regards to 'change', the scholarship on Historical Institutionalism can be useful as it has deployed the term *critical junctures* to describe radical departures from the institutional/policy status quo, whereas Bulmer and Burch have used the term *critical moments* to identify 'windows of opportunity' during which such change can occur (Bulmer and Burch, 2001: 81; 2009:29). Moreover, DI distinguishes between coordinative (i.e. the discourse used by political actors to coordinate their actions and ideas in order to produce policies) and communicative (i.e. the discourse whereby political actors legitimise the selected policies to the

[1] Euractiv is 'an independent pan-European media network specialised in EU policies [...] present in 15 European countries and provides news and policy analysis in 15 languages' (Euractiv 2013a).

public/electorate) discourse (Schmidt 2010: 310). The combination of coordinative and communicative discourse produces a master discourse which "provides a vision of where the polity is, where it is going, and where it ought to go" (Schmidt 2010: 311). Thus, it is argued that DI offers a very suitable framework to analyse the interplay between European discourses and continuity/change in managing the Eurozone crisis.

The paper is structured in four parts. In the first part we discuss the discourse during the outbreak of the crisis (2007-creation of ESF in 2010) arguing that the EU's initial response to the crisis was characterised by denial as to the importance or even relevance of the financial crisis for the Eurozone. The second part discusses the EU's early response to Greece's financial implosion, (from the early 2010 when the scale of Greece's financial troubles became apparent until the resignation of Papandreou in November 2011) arguing that European discourses adopted a tone of 'Greek exceptionalism'; that Greece was a 'special case' whose collapse was not symptomatic of a wider malaise within the Eurozone. The third part discusses the volatile period after Papandreou's resignation and until the Greek election of 2012 when the new pro-Euro coalition government re-affirmed Greece's determination to stay in the Eurozone and implement the highly unpopular austerity measures (November 2011 – June 2012), arguing that the European discourses displayed a highly accusatory current against Greece, implicitly (and, often, explicitly) urging the Greek government to exit the Eurozone (Grexit). The fourth part of the paper links our empirical evidence to the framework of Discursive Institutionalism and argues that the Greek implosion (critical as it was in terms of its severity and timing, being the first manifestation of the crisis) fundamentally challenged the discursive foundations of the Eurozone which had remained rather resilient since its inception at Maastricht in 1992.

1. The Politics of Denial: the EU's initial response to the global financial crisis

The global financial crisis began in 2006 when a number of small financial firms providing high-risk subprime mortgages in the United States collapsed. During these early stages, senior European officials dismissed the escalating crisis as very much 'an American problem' (Fuchs and Graaf 2010: 14). Senior European officials such as German Chancellor, Angela Merkel, and the ECB President, Jean-Claude Trichet, sought to reassure investors over the Eurozone's economic health and placed the blame for the financial turmoil squarely on the feet of credit rating agencies (BBC 2007a; BBC 2007b). The discourse of denial was also reflected in the speech of Economic and Monetary Affairs Commissioner, Joaquín Almunia, during a hearing in the European Parliament (EP) on 5 September 2007 in which he maintained that 'the EU's economic fundamentals are solid and should not be significantly affected by the recent turbulence' (Euractiv 2007).

The ECB's outlook on the European economy remained buoyant throughout the first half of 2008. In a rather controversial move Eurozone interest rates were raised to 4.25% in July of that year as the ECB President boasted that "Growth in the world economy is expected to remain resilient, benefiting in particular from continued robust growth in emerging economies. This should support euro area external demand" (Euractiv 2008a). The apparent complacency over the effects of the spreading crisis on the European economy is also reflected in the rather infrequent combined use of the terms 'economic'/'Euro' and 'crisis' in the titles of news items published by *EurActiv* for the period 2006-mid 2008 (see Table 1).

Table 1: Mentions of the Word 'Crisis' in Euractiv.com Article Titles									
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Economic Crisis	77	62	83	266	787	817	709	937	441
Euro Crisis	93	78	120	477	1138	1457	1252	1261	517
Greek Crisis	1	10	12	19	58	475	433	454	150
Source: Authors' own calculation from the search engine of Euractiv.com									

By the autumn of 2008, the collapse of Lehman Brothers sent shockwaves across the financial world (cf. Eichengreen et. al 2012), prompting EU leaders to seek a more coordinated approach to the deepening crisis. The extraordinary EU Summit held in November 2008 under the French Presidency was the first attempt in this direction. If the Summit itself was recognition of the severity of the situation, however, its rather poor results reflected the EU's inability to construct a convincing discourse on either coordinative or communicative grounds (cf. EUobserver 2012a). President Sarkozy's plea prior to the Summit that "Europe had to speak with one voice' was a long way from been realised (Euractiv 2008c).

In the eighteen months that followed, EU policy makers produced a cacophony of ideas over the nature of the problem, its possible remedy and the best equipped institution to administer it. Voices urging the EU to adopt a US-style fiscal stimulus package faced an outright rejection by the German administration, forcing senior EU officials, including Juncker, Barroso and Almunia to dismiss the idea (Euractiv 2008b, 2009b, 2009c). Similarly, pressing calls from the Eurozone's southern members over the mutualisation of the Eurozone's debts, met strong opposition by the so-called 'AAA' countries who opposed such prospect on both technical (the 'no-bailout' clause enshrined in the Maastricht Treaty) and moral grounds (EuropeanVoice 2012).

A key element of EU discourse at this stage was the 'moral hazard' argument, according to which the 'prudent' northern flank of the Eurozone should not write 'blank checks' or be penalised (through higher borrowing costs) for the 'sins' of a profligate south. Progress on the strengthening of economic governance within the Eurozone – a key demand by the French government advocating a fiscal union and the more powers to the ECOFIN over the coordination of economic policy – was also very poor, with no apparent consensus between Eurozone members over its precise content and timeframe of implementation (Euractiv, 2010b).

In the meantime, Greece's economy grew in an even more perilous state. During 2007-9, the incumbent New Democracy (ND) government sought to reassure investors that Greece was 'safe', pointing to the fact that Greek banks were not exposed to the sub-prime mortgage crisis and economic growth at home continued apace. Rising borrowing costs were dismissed as financial speculation fuelled by Greece's mistreatment in the hands of the foreign press (cf. Kathimerini 2008a). The denial of the country's dire financial situation continued after the 2009 general election when the Pan-Hellenic Socialist Movement (Greek Acronym: PASOK) achieved a landslide victory on the promise of fiscal expansion (cf. Zartaloudis 2013). Once in office, however, Papandreou and his inexperienced economic team were soon confronted with the uncomfortable truth.

The Pandora's box was opened in the December 2009 ECOFIN Council when the Greek Finance Minister revealed that the country's deficit was around 13% of GDP[2] rather than 6% as previously reported. Despite the fact that the announcement threw the financial markets into turmoil and produced a media frenzy (see, indicatively, Table 1), EU officials remained entrenched into their 'no-bailout' discourse. In January 2010 Papandreou, Juncker and Trichet all dismissed claims that a bailout package was secretly being negotiated. According to Trichet, "each country has its own problems. It [the Greek budgetary crisis] is a problem that has to be solved at home. It is your own responsibility" (Guardian 2010a). Commissioner Almunia, on the

[2] Subsequently, Eurostat announced that the Greek budget deficit for 2009 was 15.9% of GDP.

other hand, appeared convinced that the Eurozone had "instruments enough [sic] to deal with this issue and solve this problem [Greece]" (Euractiv 2010f). In truth, however, Greece's debt crisis had already become too large for the government in Athens and the EU's 'no bailout' discourse had run aground. In the months that followed, events on the ground would force European officials into a policy u-turn grounded onto the communicative discourse of 'Greek exceptionalism'.

2. The Politics of Exceptionalism: the EU's early response to Greece's financial implosion

The announcement of the revised budgetary figures for Greece and the country's effective cutting off from the financial markets in early 2010 made the elaboration of an EU-sponsored rescue plan an inevitability (Spiegel 2010a). By February, EU officials admitted that options to support Greece were actively being examined, but these were to remain secret "for strategic reasons" (cf. Euractiv 2010g). In communicative terms, the departure from the previous EU discourse of 'no bailout' was justified on the premise of Greece as an exceptional case. In this context, the 'rescue' of Greece was not seen symptomatic of structural weakness in the design of the Eurozone, but rather the outcome of the country's chronic economic mismanagement by a corrupt and untrustworthy political elite (Spiegel 2010b). Greece's economic exceptionalism was manifested in its 'triple deficit' problem: the largest debt to GDP ratio in the Eurozone, compounded by the huge budget and current account deficits. According to the Eurogroup President, Jean-Claude Juncker, these challenges were so unique that he did not expect "another country (to enter) into a situation similar to that of Greece" (Euractiv 2010e).

Politics was also very much part of Greek exceptionalism. The 'Greek statistics' fiasco brought with it a catastrophic collapse of credibility, which not only fuelled negative stereotyping on the 'cheating Greeks' in many European countries (Euractiv 2011l; Schmidt 2013; Ntampoudi 2013), but also form part of the prescribed remedy to the 'Greek problem'. In the aftermath of the 'Greek statistics' scandal, for example, the European Commission, announced that it would begin legal proceedings against Greece for breaching EU Treaty rules (cf. EUobserver 2012b). Similarly, the Swedish Minister of Finance accused Greece of "fraudulent statistics" and his Finnish counterpart argued that "we need statistics we can trust and real measures on how to consolidate the budget. No-one but Greece can help itself. There is no way to expect any outside help" (Euractiv 2010d).

Nowhere else was the damage to Greece's standing more visible than in Germany: "a good European is one that respects the European treaties and national rights so that the stability of the euro zone is not damaged [...] we should put an end in using tricks" argued Merkel (Euractiv 2010i). Shortly afterwards, the German Chancellor admitted that Greece's entry into the Eurozone was "a mistake" and called for a revision to the EU treaties that would allow the expulsion of members who "consistently break the rules" (Euractiv 2010k). Against this background, the legitimising discourse used by senior German officials for Greece's eventual 'bailout' by the EU and the IMF in May 2010[3] had little to do with a sense of solidarity towards the government in Athens. As the German Minister of Finance, Wolfgang Schäuble, put it: "We are not defending Greece, we are defending the stability of our currency" (Euractiv 2010m).

The very design of the Greek 'bailout' programme also revealed significant shifts in the EU's coordinative discourse on the Eurozone crisis. For instance, the involvement of the IMF in the programme, made it clear that Germany, in particular, no longer believed that this was a European crisis to be resolved by purely European means (Euractiv 2010h; 2010i). German insistence on the involvement of the IMF was more than just an attempt to share the financial burden of the programme. The IMF carried with it important symbolic baggage. Reputationally, its arrival might have been a defeat for the entire Eurozone and the sense of European 'pride' that had been invested in the project since its very inception at Maastricht. At the same time, however, the sense of national humiliation that inevitably accompanies the recourse to IMF

[3] In April 2010 the EFSF was created as a means of financing the EU's share of the Greek 'bailout' programme.

assistance was also a very vivid reminder that Greek-style 'bailouts' would be no 'free lunch' (cf. Spiegel 2010c; 2011). Such power of deterrence must have been music to the ears of those who had articulated the Eurozone crisis through the 'moral hazard' lens. The Greece 'bailout' programme, in this sense, went beyond redeeming the fiscal irresponsibility of the Greeks. It was a lesson for a wider audience within the Eurozone. Symbolism aside, the *Troika* setup also served practical concerns over the delivery of the Greek programme. The involvement of the IMF was necessitated by serious German misgivings over the ability of the European Commission to oversee effectively the conditionalities attached to the 'bailout' programme, but also a means of overcoming the reservations of the German Constitutional Court over the legality of direct German lending to another Eurozone country (FT 2010; DW 2010). Above all, it revealed Berlin's deep-rooted suspicions that the Greek government would not stick to its side of the bargain without the IMF tried-and-tested know how in disciplining 'unruly pupils' around the world.

3. The Politics of Blame: 'Grexit' or 'No Grexit'?

In the months that followed the Greek 'bailout' the systemic nature of the Eurozone's economic troubles became apparent. In the first half of 2011, both Ireland and Portugal were forced to seek assistance from the Troika, whereas borrowing costs in other peripheral economies of the Eurozone increased substantially. In Greece, the Papandreou government struggled to fulfil its obligations towards its creditors and the voices arguing that the Greek programme was unsustainable grew louder (cf. Zartaloudis 2013). In June 2011, after a period of widespread speculation over secret EU summits about a possible Greek exit from the Eurozone, the Eurogroup President, Jean- Claude Juncker, became the first senior EU official to state that a second bailout for Greece would have to be negotiated (Euractiv 2011a).

The prospect of a second 'bailout' opened up a new round of acrimonious negotiations between Greece and its Eurozone partners during the summer of 2011. Senior officials from the

German administration pressed on the Greek government to intensify its austerity programme, amidst a climate of anti-bailout "hysteria", as described by Klaus Regling, the (German) Director of the EFSF (Euractiv 2011g). At home, a weakened Papandreou called for cross-party consensus on further cuts, but to no avail (Euractiv 2011b; Zartaloudis 2013). In July 2011 EU leaders agreed a second loan for Greece worth 100 Billion Euros, alongside provisions for lower interest rates and longer repayment periods (Euractiv 2011c). In the run up to the agreement, the Commission President, Barroso, left no doubt that the Eurozone was now faced with a systemic crisis and warned that: "Nobody should be under any illusion: the situation is very serious. It requires a response; otherwise the negative consequences will be felt in all corners of Europe and beyond" (Euractiv 2011c).

Yet, despite some initial optimism, the July agreement was soon discredited for its complexity and for doing little to reassure the markets over the adequacy of the Eurozone's 'firewall' and the long-term sustainability of the Greek debt. These problems were recognised by Barroso himself in August 2011 who bashed "the undisciplined communication of EU leaders" and urged them to do more to ease fears over a disorderly Greek default (Euractiv 2011d). A new EU Summit in October 2011 sought to address some of these concerns by pledging more funds for the EFSF and agreeing an outline plan for the recapitalisation of European banks. Concerning Greece, an agreement was reached that the country's debt-to-GDP ratio would be reduced to 120% by 2020 (from 160% in 2011), through a voluntary 'haircut' to the value of Greek bonds held by private investors. During the time of these protracted negotiations, European discourses on Greece grew increasingly hostile with a number of influential players (amongst them senior officials in the Dutch government and Germany's junior governing coalition partner, the FPD) openly calling for Greece's ejection from the Eurozone (Euractiv 2011e; 2011f). Although such proposals were publicly dismissed by senior EU figures, the discursive taboo of a possible 'Grexit' was now beginning to erode.

In Greece, the pressure on the Papandreou government also intensified following a barrage of strikes and widespread social unrest (cf. Zartaloudis 2013). On Monday 31 October 2011, in a desperate attempt to regain legitimacy, Papandreou, called for a referendum on the second Greek bailout. The unexpected announcement caused mayhem in the financial markets and threatened to derail the entire package of EU measures agreed just weeks before. Outraged by what they regarded as Papandreou's unreliability and recklessness, EU leaders, spearheaded by President Sarkozy and Chancellor Merkel, brought 'Grexit' at the forefront of their discourse in an attempt to force the Greek government to retract the announcement (Euractiv 2011h; 2011i). Papandreou had overplayed his hand and his time was now up. By the end of that week his resignation paved the way for the appointment of an interim coalition government under the former ECB Vice President, Lucas Papademos.

The arrival of Papademos at the helm might have assured European leaders that the country now had a safe pair of hands who could see through the complexities of Greece's debt restructuring programme, but widespread mistrust against the political elites in Athens remained. Party political infighting within the Papademos government made it clear that his days as Greece's Prime Minister were numbered. The prospect of fresh elections, against the backdrop of the rising popularity of 'anti-bailout' political forces, fuelled concerns across the EU that Greece was to remain an unreliable partner for the foreseeable future. Against this background explicit references to the threat of 'Grexit' remained high on the agenda.

For instance, two weeks after the appointment of Papademos, Angela Merkel stated that "Europe is in one of its toughest, perhaps the toughest hour since World War Two" (Euractiv 2011k), while the Commission President warned that the break-up of the Eurozone was "apparently not taboo any longer" (Euractiv 2011l). Greece's reform effort was also widely criticised. Austrian Finance Minister Maria Fekter declared that "Greece (had) fallen short of its reform and austerity targets by a wide margin", whereas her German counterpart, Wolfgang Schäuble described Greece as a "bottomless pit" (Euractiv 2012a, 2012b).

In the run-up to the Greek parliamentary election of May 2012, European policy makers put significant pressure on all political parties to commit to the continuation of the austerity measures (for a review, see: Spiegel 2012), but widespread public hostility against the bailout programme strengthened anti-systemic forces both on the Left and the Right of the political spectrum. The inconclusive result of the May election and the subsequent impasse over the formation of a coalition government produced an even harsher European discourse on Greece. In this context, the fresh electoral contest of June 2012 was widely articulated as an 'in-or-out' referendum on Greece's membership of the Eurozone. Even the usually diplomatic President of the European Commission warned Greek politicians that it would be better for Greece to leave the Euro if it could not implement the bailout terms (Euractiv 2012c). Other Eurozone governments also openly admitted that they were preparing contingency plans for a possible Greek exit, leaving the Eurogroup President, Juncker, a somewhat lone voice when he dismissed such a prospect as "nonsense" (cf. Euractiv 2012e).

The formation of a pro-bailout government in Greece following the June 2012 election was a Pyrrhic victory for those, both in Europe and Greece, who had invested in a discursive strategy of 'absolute dilemmas' over the country's continuing membership of the Eurozone. The new Greek Prime Minister, Antonis Samaras, had travelled a long way since his days as a fierce critic of the bailout programme, to reinvent himself as the 'guarantor' of Greece's "European orientation" (Samaras 2012; NPR 2013). For European leaders support for the new Greek government became the only available option. In his meeting with Samaras, for example, the French President, Francois Hollande, dismissed any talk over Greece's membership of the Eurozone and praised the Greeks for their "painful efforts of the last two and a half years" (NYT 2012). Memories of Samaras' bruising encounters with Merkel and Barroso in meetings of the European People's Party (the EU's umbrella Centre-Right political party) over his refusal to back a Portugal-style consensus for the implementation of the Greek bailout programme in

2010, were soon forgotten. The empowerment of Greece's fragile pro-bailout forces had become an urgent necessity.

In November 2012 the government in Athens was able to pass another major round of budgetary cuts through Parliament for which it was rewarded with the release of 43 Billion Euros worth of assistance, alongside other measures for the lowering of the Greek debt burden (cf. Zartaloudis 2013). In the aftermath of the deal both the French President, Francois Hollande and the European Council President, Herman Van Rompuy, appeared confident that the worst of the Eurozone crisis was now over. José Manuel Barroso was also in a buoyant mood: "once again we have shown that we have the capacity to act and we are able to do whatever is necessary for a firm and sustained irreversibility of the euro as a currency of the European Union" (Euractiv 2012g).

Following months of intense (and, largely, self-inflicted) speculation over Greece's future within the Eurozone, European discourses on 'Grexit' began to mellow. As fears of a possible Greek 'contagion' onto Spain and Italy intensified, the main preoccupation of EU policy makers shifted from the 'dressing down' of the Greeks to the 'talking up' of economic stability in the Eurozone. In the context of this new master discourse, Samaras – this most unlikely of pro-Europeans – was to be given the benefit of the doubt. This was certainly a risky strategy. A year into his premiership, it remained the only one available.

Conclusion

This paper examined the discourse(s) of senior EU figures on the Greek crisis. By reference to the conceptual literature on Discursive Institutionalism, it argued that Greece's financial implosion produced significant discursive shifts amongst the Eurozone's political elite in both coordinative and communicative terms. The timing and intensity of the Greek crisis did, in this sense, create a critical moment for the re-articulation of the discourse surrounding the governance of the Eurozone. In coordinative terms, the decision to involve the International

Monetary Fund (IMF) in the Greek bailout programme through the so-called 'Troika' (IMF/European Commission (EC)/European Central Bank (ECB)), introduced an element of external interference in the governance of the Eurozone, which would have been totally unthinkable a decade earlier. With regards to communicative discourse, three key shifts are identified: (i) an increasing doubt over the Euro as a strong currency underpinned by sound economic fundamentals; (ii) the growing suspicion over the rigour and impartiality of policing the 'rules of the game' (both prior and after membership of the Eurozone); and, crucially, (iii) an explicit acknowledgement of the possibility of a Euro-exit, despite unequivocal Treaty clauses to the opposite.

We argued that these discursive shifts map onto different stages of the management of the Greek crisis as European policy makers struggled to get to grips with complex and rapidly changing constellations of inter-related problems. Hence, from an initial narrative of denial, European leaders eventually acknowledged that the EU lacked the necessary tools to deal with a very real problem which had landed firmly on its door. The creation of the European Financial Stability Facility (EFSF) in May 2010, however, was very much portrayed as a means of dealing with the rather 'exceptional' Greek case. In other words, the Greek peril was seen as a product of local specificities and an example of poor EU oversight over an 'unruly pupil', not as a symptom of a wider European economic malaise. During 2011 as the government of George Papandreou struggled to fulfil the conditions of the first bailout package at home, European discourses on Greece grew increasingly hostile, reflective of a respective decent towards the 'politics of blame'. In the aftermath of Papandreou's resignation in November 2011, and throughout the protracted instability that ensued, another discursive taboo was broken: the threat of a Greek exit from the Eurozone ('Grexit') was explicitly deployed as a means of disciplining Greece's quarrelling political class. Although still not entirely dismissed, the 'Grexit' discourse only begun to subside in the aftermath of the June 2012 election as European leaders sought to support Greece's fragile pro-bailout coalition government under Antonis Samaras.

With the Eurozone crisis still very much an evolving process, the long lasting (that is the qualitative difference between a critical moment and a critical juncture) effects of the Greek crisis on the master discourse of EMU are yet to be fully manifested. On the coordinative front, recent agreements on the strengthening of economic governance within the Eurozone (with further Treaty changes scheduled in the near future) appear to suggest that the crisis has indeed galvanised a magnitude of change akin to a critical juncture. A similar argument can also be made on the communicative front. The discursive polarisation during the Greek crisis may not necessarily be proof of the EU's terminal decent towards disintegration, but it is certainly reflective of an increasingly militant discourse on competiveness and 'self help'. The extent to which this discourse can be compatible with the *finalité politique* of the European Union remains the subject of much contestation which is likely to dominate European politics in years to come.

References

Arghyrou, M.G., and Kontonikas, A. (2012) 'The EMU sovereign-debt crisis: fundamentals, expectations and contagion', *Journal of International Financial Markets, Institutions and Money*, 22 (4), pp. 658-677.

BBC (2007a) 'European economy 'sound' - Trichet', BBC news, http://news.bbc.co.uk/1/hi/business/6990443.stm.

BBC (2007b) 'Merkel censures ratings agencies', BBC news, http://news.bbc.co.uk/1/hi/business/6970302.stm.

Bulmer, S. and Burch, M. (2001) 'The "Europeanisation" of Central Government: the UK and Germany in Historical Institutionalist Perspective', in Schneider, G. and Aspinwall, M. (eds.), *The Rules of Integration,* Manchester: Manchester University Press.

Bulmer, S. and Burch, M. (2009), *The Europeanisation of Whitehall: UK Central Government and the European Union,* Manchester: Manchester University Press.

Caporaso, J.A. Kim, M.-H. (2012) 'The Maastricht Treaty at Twenty: A Greco-European Tragedy?', *Journal of European Integration*, 34 (7), pp.769-789

Dinan, D. (2012) 'Governance and Institutions: Impact of the Escalating Crisis', JCMS: Journal of Common Market Studies, Vol. 50, pp. 85-98.

DW (2010) 'Germany says IMF must help pay for Greece', Deutsche Welle, http://www.dw.de/germany-says-imf-must-help-pay-for-greece/a-5383576.

Eichengreen, B. Modyc, A., Nedeljkovicd, M., Sarnoe, L. (2012) 'How the Subprime Crisis went global: Evidence from bank credit default swap spreads', *Journal of International Money and Finance*, 31 (5), pp. 1299-1318.

EUobserver (2012a) 'France pushes for EU common front ahead of global financial summit', EUobserver.com, http://EUobserver.com/economic/27032.

EUobserver (2012b) 'EU on Greek statistics scandal: 'Never again'', EUobserver.com, http://euobserver.com/economic/115912.

Euractiv (2007a) 'EU debates reaction to financial turmoil', Euractiv.com, http://www.euractiv.com/euro-finance/eu-debates-reaction-financial-tu-news-218774, Published 06 September 2007, updated 07 September 2007.

Euractiv (2008a) 'ECB raises borrowing rate despite economic slowdown', Euractiv.com, http://www.euractiv.com/euro-finance/ecb-raises-borrowing-rate-despit-news-220119.

Euractiv (2008b) 'EU 'will not imitate US' in fighting the financial crisis', Euractiv.com, http://www.euractiv.com/euro-finance/eu-imitate-us-fighting-financial-news-220574.

Euractiv (2008c) 'France calls extraordinary EU summit on crisis', Euractiv.com, http://www.euractiv.com/euro-finance/france-calls-extraordinary-eu-su-news-220627.

Euractiv (2008d) 'EU bonds spark debate as recession hits', Euractiv.com, http://www.euractiv.com/euro-finance/eu-bonds-spark-debate-recession-news-220785.

Euractiv (2009a) 'EU to hold twin summits on economic crisis', Euractiv.com, http://www.euractiv.com/euro-finance/eu-hold-twin-summits-economic-cr-news-221329.

Euractiv (2009b) 'EU leaders on the defensive in economic crisis debate', Euractiv.com, http://www.euractiv.com/euro-finance/eu-leaders-defensive-economic-cr-news-221303.

Euractiv (2009c) 'Almunia backs EU bonds, has eurozone bailout plan', Euractiv.com, http://www.euractiv.com/euro-finance/almunia-backs-eu-bonds-eurozone-news-221243.

Euractiv (2009d) 'EU mulls crisis exit strategy, delays its start', Euractiv.com, http://www.euractiv.com/euro-finance/eu-mulls-crisis-exit-strategy-de-news-222717.

Euractiv (2009e) 'IMF urges EU to upgrade its recovery plan', Euractiv.com, http://www.euractiv.com/euro-finance/imf-urges-eu-upgrade-recovery-pl-news-221837.

Euractiv (2010a) 'Rehn to propose economic 'high representative'', Euractiv.com, http://www.euractiv.com/priorities/rehn-propose-economic-high-repre-news-223319.

Euractiv (2010b) 'The EU's economic governance: Rewriting the rulebook', Euractiv.com, http://www.euractiv.com/euro-finance/eus-economic-governance-rewritin-linksdossier-496816.

Euractiv (2010c) 'Greece urged to come up with fiscal plan', Euractiv.com, http://www.euractiv.com/euro-finance/greece-urged-come-fiscal-plan-news-223289.

Euractiv (2010d) 'EU tells Greece to fix 'fraudulent' budget stats', Euractiv.com, http://www.euractiv.com/euro-finance/eu-tells-greece-fix-fraudulent-b-news-223253.

Euractiv (2010e) 'Eurozone ministers confident on Greece's recovery', Euractiv.com, http://www.euractiv.com/euro-finance/eurozone-ministers-confident-gre-news-223274.

Euractiv (2010f) 'Brussels vows to hold Greece to austerity', Euractiv.com, http://www.euractiv.com/euro/brussels-vows-to-hold-greece-to-austerity.

Euractiv (2010g) 'EU leaders withhold details of Greece rescue plan', Euractiv.com, http://www.euractiv.com/euro/eu-leaders-reach-deal-rescue-greece.

Euractiv (2010h) 'German consent for helping Greece has strings attached', Euractiv.com, http://www.euractiv.com/euro-finance/german-consent-helping-greece-st-news-375148.

Euractiv (2010i) 'Merkel says EU could back Greece as 'last resort'', Euractiv.com, http://www.euractiv.com/priorities/merkel-eu-back-greece-resort-news-379169.

Euractiv (2010k) 'Merkel wants scope to expel eurozone troublemakers', Euractiv.com, http://www.euractiv.com/priorities/merkel-wants-scope-expel-eurozon-news-354178.
Euractiv (2010l) 'Greek crisis brings 'village politics' to EU', Euractiv.com, http://www.euractiv.com/priorities/greek-crisis-brings-village-poli-news-494452.
Euractiv (2010m) 'Greece agrees new austerity measures to woo Germany', Euractiv.com, http://www.euractiv.com/euro-finance/greece-agrees-new-austerity-meas-news-491977.
Euractiv (2010n) 'Barroso considers ban on speculation with sovereign debt', Euractiv.com, http://www.euractiv.com/euro-finance/barroso-considers-ban-speculatio-news-325532.
Euractiv (2010s) 'The EU's economic governance: Rewriting the rulebook', Euractiv.com, http://www.euractiv.com/euro-finance/eus-economic-governance-rewritin-linksdossier-496816.
Euractiv (2011a) 'Euro zone's 'big four' hold secretive talks over Greece', Euractiv.com, http://www.euractiv.com/euro-finance/euro-zones-big-hold-secretive-ta-news-504627.
Euractiv (2011b) 'Eurozone piles pressure on Greece over austerity', Euractiv.com, http://www.euractiv.com/euro-finance/eurozone-piles-pressure-greece-a-news-505761.
Euractiv (2011c) 'Germany, France reach accord on Greek bailout', Euractiv.com, http://www.euractiv.com/euro-finance/germany-france-reach-accord-gree-news-506704.
Euractiv (2011d) 'Crisis crashes holidays – leaders in urgent talks', Euractiv.com, http://www.euractiv.com/future-eu/crisis-crashes-holidays-leaders-news-506907.
Euractiv (2011e) 'Merkel coalition rattled by calls for Greek euro exit', Euractiv.com, http://www.euractiv.com/euro-finance/merkel-coalition-rattled-calls-g-news-507533.
Euractiv (2011f) 'Commission rebuffs Dutch calls for euro 'exit plan'', Euractiv.com, http://www.euractiv.com/euro-finance/commission-rebuffs-dutch-calls-e-news-507495.
Euractiv (2011g) 'German Bundestag rallies against euro bailout fund', Euractiv.com, http://www.euractiv.com/euro-finance/german-bundestag-rallies-euro-ba-news-507156.
Euractiv (2011h) 'Greek referendum gamble panics leaders, markets', Euractiv.com, http://www.euractiv.com/euro-finance/greek-referendum-gamble-panics-l-news-508682.
Euractiv (2011i) 'Papandreou hard-pressed over euro referendum', Euractiv.com, http://www.euractiv.com/euro-finance/papandreou-hard-pressed-euro-ref-news-508709.
Euractiv (2011k) 'Merkel: Europe in worst hour of darkness in decades', Euractiv.com, http://www.euractiv.com/future-eu/merkel-europe-worst-hour-darknes-news-508943.
Euractiv (2011l) 'Eurozone breakup no longer taboo', Euractiv.com, http://www.euractiv.com/euro-finance/eurozone-breakup-longer-taboo-news-508883.

Euractiv (2012a) ‘Greece locked in chicken-and-egg bond deal dilemma’, Euractiv.com, http://www.euractiv.com/euro-finance/greece-locked-chicken-egg-bond-d-news-510355.

Euractiv (2012b) ‘Hopes rise for Greek deal, but anger grows in eurozone’, Euractiv.com, http://www.euractiv.com/euro-finance/hopes-rise-greek-deal-anger-grow-news-510934.

Euractiv (2012c) ‘Unity government talks in Greece reach impasse’, Euractiv.com, http://www.euractiv.com/euro-finance/unity-government-talks-greece-re-news-512657.

Euractiv (2012d) ‘Talk of Greek exit from eurozone gathers pace’, Euractiv.com, http://www.euractiv.com/euro-finance/talk-greece-exit-euro-zone-gathe-news-512707.

Euractiv (2012e) ‘EU leaders to get Greece on the menu of dinner summit’, Euractiv.com, http://www.euractiv.com/euro-finance/eu-leaders-get-greece-menu-dinne-news-512907.

Euractiv (2012f) ‘IMF: Give Greece, Spain a break’, Euractiv.com, http://www.euractiv.com/euro-finance/imf-give-greece-spain-break-news-515343.

Euractiv (2012g) ‘Hollande: EU confidence can now return’, Euractiv.com, http://www.euractiv.com/euro-finance/hollande-confidence-eu-return-news-516670.

Euractiv (2013a) ‘Southern Europe competitiveness gap 'rapidly declining': Report’, Euractiv.com, http://www.euractiv.com/socialeurope/southern-europe-competitiveness-news-517451.

Euractiv (2013b) ‘Berlin takes youth unemployment fight to Southern Europe’, Euractiv.com, http://www.euractiv.com/socialeurope/berlin-takes-youth-unemployment-news-519941.

Euractiv (2013c) ‘Europe's €8bn youth jobless fund meets scepticism’, Euractiv.com, http://www.euractiv.com/priorities/europes-8bn-youth-jobless-fund-m-news-528942.

Euractiv (2013d) ‘IMF says ‘sorry’ for Greek crisis handling, EU Commission in denial’, Euractiv.com, http://www.euractiv.com/euro-finance/imf-sorry-greek-crisis-handling-news-528355.

Euractiv (2013e) ‘Euractiv - Editorial Mission’, Euractiv.com, http://www.euractiv.com/mission.

EuropeanVoice (2012) ‘Debt crisis is testing idea of moral hazard’, EuropeanVoice.com, http://www.europeanvoice.com/article/imported/debt-crisis-is-testing-idea-of-moral-hazard/73600.aspx.

FT (2010) ‘Berlin shifts stance on IMF role in Greece’, Financial Times, http://www.ft.com/cms/s/0/3943e114-327f-11df-bf20-00144feabdc0.html#axzz2akcZZc1u.

Fuchs, D. and Graaf, A. (2010) 'The Financial Crisis in Discourse: Banks, Financial Markets and Political Responses', Paper prepared for the SGIR International Relations Conference, Stockholm, 9-11 Sep. 2010.

Guardian (2010a) 'No EU bailout for Greece as PM promises to 'put house in order'' Guardian, http://www.guardian.co.uk/business/2010/jan/28/greece-papandreou-eurozone.

Hall, P. A., and Taylor, R.C.R. (1996) 'Political Science and the Three New Institutionalisms,' *Political Studies*, 44 (5), pp. 936-57.

Kathimerini (2008a) 'Conspiracy theories from the Ministry of Finance about the Spread rise', http://news.kathimerini.gr/4dcgi/_w_articles_economy_2_04/12/2008_294591.

NPR (2013) Prime Minister's 'Loose Cannon' Style Divides Greece, http://www.npr.org/2013/06/30/197124698/samaras-loose-canon-style-divides-greece.

Ntampoudi, I. (2013) 'The Good Guys, The Bad Guys and The Ugly Debt: The Eurozone Crisis and the Politics of Blaming', *14th Annual UACES Student Forum Research Conference*, 8-9 July 2013, Loughborough University.

NYT (2012) 'French Leader Hails Greeks for 'Painful Efforts' in Crisis', The New York Times (NYT), http://www.nytimes.com/2012/08/26/world/europe/france-reassures-greece-on-euro-zone-membership.html.

Panizza, F and Phillip, G. (eds) *Moments of Truth: The Politics of Financial Crises in Comparative Perspective*, Routledge.

Samaras, A. (2012) Address by the Prime Minister of Greece, Antonis Samaras to the PPE-Europarliament Group Meeting in Malta, http://www.primeminister.gov.gr/english/2012/11/15/address-by-the-prime-minister-of-greece-antonis-samaras-to-the-ppe-europarliament-group-meeting-in-malta.

Schmidt, V. A. (2013) 'Speaking to the Markets or to the People? A Discursive Institutionalist Analysis of the EU's Sovereign Debt Crisis', *The British Journal of Politics & International Relations* (early view).

Schmidt, V.A. (2008) 'Discursive Institutionalism: The Explanatory Power of Ideas and Discourse', *Annual Review of Political Science*, 11, pp. 303-326.

Schmidt, V.A. (2010) 'Taking ideas and discourse seriously: explaining change through discursive institutionalism as the fourth 'new institutionalism' *European Political Science Review*, 2, pp. 1-25.

Spiegel (2010a) 'The World from Berlin: 'Lies, Damned Lies and Greek Statistics'', Spiegel Online International, http://www.spiegel.de/international/europe/the-world-from-berlin-lies-damned-lies-and-greek-statistics-a-678205.html.

Spiegel (2010b) 'Greece: The Euro Zone's Problem Child', Spiegel Online International, http://www.spiegel.de/international/europe/europe-s-debt-crisis-five-threats-to-the-common-currency-a-677214-2.html.

Spiegel (2010c) 'The Battle over the Euro-Bond: Juncker Calls German Thinking 'Simple'', Spiegel Online International, http://www.spiegel.de/international/europe/the-battle-over-the-euro-bond-juncker-calls-german-thinking-simple-a-733571.html.

Spiegel (2011) 'Competing Visions: France and Germany Split over Plans for European Economic Government', Spiegel Online International, http://www.spiegel.de/international/europe/competing-visions-france-and-germany-split-over-plans-for-european-economic-government-a-737423.html.

Spiegel (2012) The World from Berlin: 'Germans Won't Pay for Greece's Vacation from Reality', Spiegel Online International, http://www.spiegel.de/international/europe/german-press-review-of-greek-election-and-political-chaos-a-832026.html.

Zartaloudis, S. (2013) 'Greece and the recent financial crisis: meltdown or configuration?', in F. Panizza and G. Phillip (eds) *Moments of Truth: The Politics of Financial Crises in Comparative Perspective*, Routledge.