



Biennial Hellenic Observatory
PhD Symposium on Contemporary
Greece and Cyprus

Saturday 15/June/2019
Hellenic Observatory, European Institute, LSE

Plenary Session II: Five things we Don't Know about the Economic Crisis in Greece

Speaker: Dimitris Papadimitriou, Professor of Politics, University of Manchester

Discussant: George Pagoulatos, Professor of European Politics and Economy, Athens University of Economics and Business

Chair: Kevin Featherstone, Director of the Hellenic Observatory, Eleftherios Venizelos Professor of Contemporary Greek Studies, LSE

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Five Things we Don't Know about the Economic Crisis in Greece

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The 9th HO PhD Symposium on Contemporary Greece and Cyprus
15 June 2019

MANCHESTER
1824

The University of Manchester

...a mine...

- **19,115 Reuters articles** ('Greece' and 'Crisis', 2008-2019)
- **1,020 Google scholar entries** (in the abstract)
- **122 Google scholar entries** (in the title)
 - Cyprus (12), Ireland (14), Italy (31), Portugal (38), Spain (82)
- **Over 45 books (in the title)**
 - Many more book chapters
- **Many first-hand accounts**
 - Papakonstantinou, Varoufakis, Simitis, Dijsselbloem, Zapatero, Geithner
- **Relative availability of key policy documents**
 - IMF ex-post reviews (2013, 2017, 2019)
 - European Commission, EP, ECA, 2017



...and a
minefield...

- **Multi- faceted process**
 - Disciplinary diversity (politics, economics, culture, IR, history, sociology, anthropology, law)
 - Agency vs structure
- **Long duration**
 - Distinct phases within it (a 'single' story?)
 - Processes of learning and adjustment
- **Normatively loaded**
 - "Where you stand depends on where you sit"
 - What is the 'yardstick' of evaluation?
- **Comparative dimension**
 - Exceptionalism vs wider patterns
 - What are the axes of comparison?
- **The problem of causality**

Five Things

- **Comparative work**
 - Across bailout countries
 - Across history
 - 5/45 books, 8/122 journal articles
- **Agency-focused studies**
 - Crisis management
 - Leadership studies
- **The run up to the crisis (period 2004-09)**
 - Effects of Eurozone membership on the political system
 - Effects of Eurozone membership on public policy
- **Internal Troika dynamics**
 - Origins and contingency
 - Institutional cultures
- **Non European aspect of the crisis**
 - US dimension, IMF dimension



Conclusion

- **Beware of the dependent variable!**
 - Clarity
 - Causalities
- **Scope**
 - What is feasible in a PhD thesis?
 - Can there be a single reading of the whole crisis?
- **Access**
 - Consider data availability
- **Theoretical / methodological innovation**
 - Very fertile ground
- **Wider audiences**
 - [Why does Greece matter?](#)

Books

(feat. 'Greece' & 'Crisis' in title)



Top 10 JCR Journals

("Greece"/"Greek" in the title)

| | | |
|----|--|-----|
| 1 | American Journal of Political Science | (0) |
| 2 | International Organization | (1) |
| 3 | Journal of Public Administration | (0) |
| 4 | Governance | (2) |
| 5 | Annual Review of Political Science | (0) |
| 6 | European Journal of Political Research | (1) |
| 7 | Political Geography | (2) |
| 8 | Journal of Conflict Resolution | (0) |
| 9 | British Journal of Political Science | (2) |
| 10 | American Political Science Review | (0) |

11-20 JCR Journals

("Greece"/"Greek" in the title)

| | | |
|----|-----------------------------------|-----|
| 11 | World Politics | (0) |
| 12 | Global Environmental Politics | (0) |
| 13 | Journal of Democracy | (3) |
| 14 | Socio Economic Review | (0) |
| 15 | Journal of European Public Policy | (7) |
| 16 | Comparative Political Studies | (0) |
| 17 | Public Administration | (6) |
| 18 | Policy Studies | (1) |
| 19 | Political Psychology | (3) |
| 20 | Political Communication | (0) |

Five (and a few more) things we now know about the crisis in Greece...

...FOLLOWING THE PRESENTATION OF DIMITRI PAPADIMITRIOU

GEORGE PAGOULATOS

PROFESSOR OF EUROPEAN POLITICS AND ECONOMY, ATHENS
UNIVERSITY OF ECONOMICS AND BUSINESS

1. No mystery why crisis happened

The known knowns vs the known unknowns vs the unknown unknowns

Fiscal deficit and public debt; current account deficit and net foreign debt

Long-standing structural weaknesses

EMU construction defects / macroeconomic imbalances/ sudden stop

2. Controversy as to adjustment policies

Common ground:

EMU unready, insufficient response

Debt restructuring should have been earlier

Greece needed reforms, twin deficit was not sustainable, some recession inevitable

Contested:

The magnitude of fiscal and incomes austerity (minimum wage cut)

Structural reforms (labor market liberalization)

Degree of hysteresis effects

3. Normatively charged

Strong feelings, dispassionate approach not easy

A challenge of separating beliefs from analysis

A tendency of over-reliance on one's combination of pre-conceptions and academic analysis: we tend to develop strong views

more self-reflection required regarding our own views and conclusions

4. A case for comparativism and multi/pluri-disciplinarity

Greece may be an extreme case, but not “exceptional”

Cannot understand why Greece failed without understanding the cultural context and the sociopolitics;

But cannot explain failure without appreciating the economics (macro and micro-) of failure.

And cannot just limit the explanation simply to the domestic economy without understanding the workings of EMU --and vice versa

“What if”: Difficult to construct and compare with the counterfactual !

5. A case for empirical precision

E.g. understanding fiscal multipliers

structure of labor market

structure of the Greek economy specifically , etc

6. A risk of over-determinism

Risk of believing outcomes are pre-determined

Temptation to mistake outcomes for intentions, and eventual paths for initially preferred ones

- *choices were usually between the awful and the catastrophic,*

- *a game with no winners, about distributing the losses (nationally and in the EU)*

- E.g. some say Germany gained from the crisis: but sitting on a mountain of assets (the South's liabilities) which may at some point not be serviceable and become losses

Structure and agency: Where they pushed or did they jump?

7. Who done it? A risk of reductionism and mono-causal explanations

- “it’s the fault of the Greek political system, of clientelism.. “

- “it’s the fault of EMU defects and omissions”

.....

8. An exercise in intellectual self-discipline

Academic profession tends to favour parsimonious explanations over rich and broad, multi-layered understanding, esp. at PhD



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