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Capitalising on Constraint - Bailout Politics in Eurozone Countries, by Catherine Moury, Stella Ladi, Daniel Cardoso and Angie Gago, Manchester University Press, 2021 and Papazisis Publications 2022

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Capitalising on Constraint - Bailout Politics in Eurozone Countries, by Catherine Moury, Stella Ladi, Daniel Cardoso and Angie Gago, Manchester University Press, 2021 and Papazisis Publications 2022*

The literature on the Eurozone crisis is extensive and continues to grow year by year. While the citizens of the countries that were at the epicenter of the crisis have left behind them, but have not forgotten, the traumatic experience of the previous decade, researchers continue intensively to investigate different aspects of the crisis, approaching the subject with greater sobriety and having more empirical data at their disposal.

This ever-growing bibliography includes an important collective study by Professors Catherine Moury, Stella Ladi and Daniel Cardoso, and Researcher Angie Gago, who work in different European universities and research institutes. The book was first published internationally in 2021 and from early 2023 it is also available in Greek from Papazisis Publications.

This study is distinguished for the significant added value of the comparative approach it adopts. More specifically, the study offers a comparative, critical overview of the negotiation and general management of the crisis in the five European countries (Greece, Spain, Italy, Cyprus and Portugal) that signed some kind of bailout agreement – our well-known Memoranda of Understanding (MoUs). In essence, these are five separate case studies, which, however, refer to a common conceptual and theoretical framework, in order to draw conclusions of general application beyond the specificities of each case.

The main theoretical aim of the authors is to challenge the belief often expressed in public discourse that national governments forced to sign up to adjustment programmes are «dragged» into accepting policies and reforms imposed on them by creditors. The authors, while accepting -to some extent- the inevitability of certain choices, due to conjunctural needs and external pressures, try to highlight the ability of national governments – even in this suffocating environment – «to influence the policies implemented under conditionality, according to their own preferences».

The findings from the examination of the different national cases are revealing and largely confirm the authors' predictions. It turns out that national governments «were able to support, defy, formulate or revoke some of the policies demanded by external actors.» This seems to be true even in the case of Greece, which found itself in the weakest position among the bailout countries. Moreover,

many of the reforms put forward appear to have been agreed by governments or even incorporated into adjustment programmes on their own initiative.

The possibility of deviating from creditors' preferences and introducing national alternatives and priorities was largely dictated by the credibility of governments, an area in which Greece performed poorly. This limited the room for manoeuvre and increased the number of restrictions and in general the level of «micromanagement» of the crisis by the creditors. It is also interesting to note that policy shifts after the end of the Memoranda appear limited, especially with regard to structural reforms. Of course, as it is well known in Greece, the adoption and maintenance of reforms at legislative level does not ensure their effective implementation in practice.

In sum, this collective study is an important new addition to both the international and Greek-language literature on the crisis. It is a recommended read not only for experts, but also for all those interested in understanding the negotiation and management of the biggest economic crisis that the Eurozone has had to face, on the basis of documented scientific analysis, which often breaks with views which may be superficial, but well-established in the public discourse.

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*A Greek version of this review was published on the 27th of March 2023 in the daily newspaper “Ta Nea”.