Introduction

The vector of austerity and the lost path to recovery: Implications for European integration and cohesion

*Albina Lindt**

Keywords: *Austerity, European integration, Eurozone, sovereign debt crisis, financial and economic crises.*

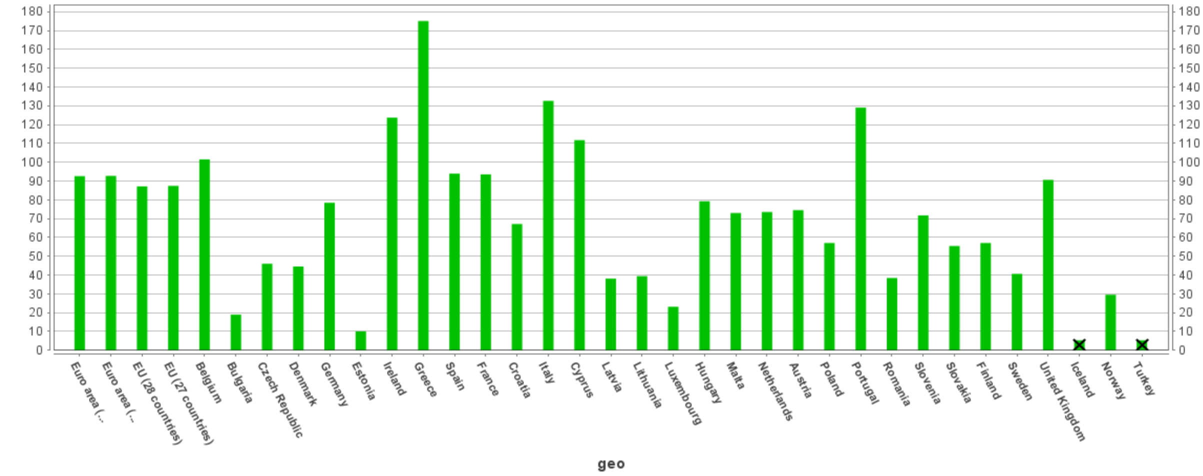
Foreword:

One of the reoccurring statements nowadays in the mass media on the Eurozone is that the crisis is not over. Political leaders and leading academics alike come to a similar conclusion despite providing different types of evidence for the crisis' pervasiveness. According to the newly elected European Commission's president, Claude Juncker, the crisis is still ongoing, as some of the debtor countries are far from having served their debts, disregarding some initial positive signs, at the same time rejecting the option of further debt relief (Deutsche Welle, 04.08.14). The lack of improvement in the Eurozone's economic performance is associated by the German Chancellor Angela Merkel with the European Central Bank's decision to cut interest rates to a record lows (Reuters, 11.06.14), while in the view of the Scientific Director of the Institute of Oriental and African Studies, Said Gafurov, the crisis in Greece is nowhere near its end, since only the budget of the country became somewhat more balanced, while the "macroeconomic crisis is only developing and becoming increasingly more widespread" (Pravda, 14.01.2014).

A cursory glance at the latest statistical figures reveal that the debt burden for Greece by the end of 2013 was immense even by comparison to other debtor countries, as illustrated in the graph below, (government debt expressed as percentage of national Gross Domestic Product, GDP). Furthermore, the figure for Greece has not declined but grown, despite debt cancellation playing into this debt-to-GDP ratio. The debt-to-GDP of 176 per cent today counted approximately 115 per cent when Greece began austerity (Eurostate, 2014a).

*Albina Lindt: Politics; Goldsmiths, University of London; ssp02al@gold.ac.uk

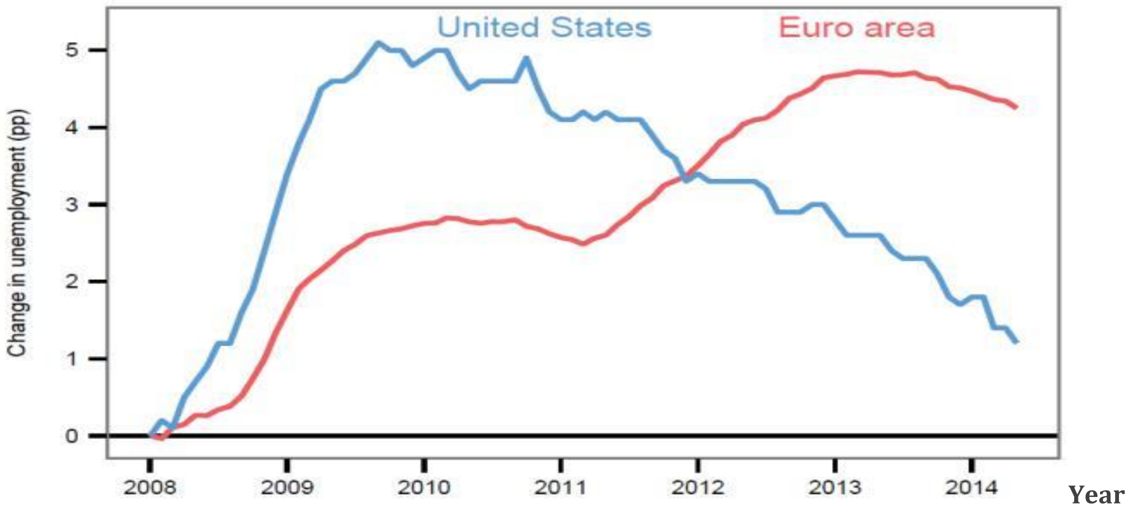
Percentage of DGP



The statistical data for the European Union as a whole, and for the Eurozone, reveals a state of economic downturn. Despite a reduction in the EU cumulative budget deficit that is narrowing the gap in revenues and expenditures of governments, it did not contribute to economic growth, as GDP growth in 2013 was of -0.4 per cent in the Euro area and of 0.1 per cent in the EU28 (Eurostat, 2014b).

Besides, as in the case of Greece, for the EU as a whole the ratio of debt to GDP is growing despite the decreasing budget deficit. According to Eurostat (2014c), in 2013 government deficit was reduced in absolute terms compared with 2012 in both the Eurozone and the EU28 – the Eurozone's deficit to GDP ratio from 3.7 per cent in 2012 to 3.0 per cent in 2013, and the EU28 from 3.9 per cent to 3.3 per cent. However, government debt rose in both zones – the government debt to GDP ratio increasing from 90.7 per cent at the end of 2012 to 92.6 per cent at the end of 2013 in the Eurozone, and from 85.2 per cent to 87.1 per cent in the EU28 (Eurostat, 2014c).

Hence, it comes as not a big surprise that the current austerity consensus has been questioned by the President of the European Central Bank, Mario Draghi. In his speech from August 2014, he discussed the option of more public spending to accelerate economic activity, justifying the stance with high unemployment in the EU by comparison to that in the US and taking a reference to the graph below (Mario Draghi, 2014).



The high European unemployment and the slow GDP growth are a problem to the extent that in many member states both indicators have so far not caught up with the pre-crisis levels. This, however, stands in strong contrast to the two economic indicators of the US. Such a transatlantic difference for Stiglitz (2014) is a result of the fiscal austerity in the EU, which is holding back demand and hence investment. Krugman (2013) similarly juxtaposes the divergent dynamics of the crises in the EU and the US with a fiscal stimulus as countervailing measure in the latter economic area and austerity measures in the former.

The following two sections are offering a postgraduate reader the possibility of a brief revision of the origins and reinforcing effects underlying the crisis, as explicated by economists and political scientists respectively. The aim is merely to roughly outline the major stand points in this debate and to set a canvas for the main body of this issue, introduced in the third section.

European debt crisis – another case of high controversy in economics:

Two broad approaches of how to deal with government deficit are identified in the discipline of economics. According to one, an economy in a state of recession should be compensated for the lack of private demand through government spending, (by resorting the surpluses accumulated in times of strong economic growth, or otherwise purposefully run deficits, to be balanced out again after the economy recovers). By comparison, another approach suggests that governments are incapable of implementing the anti-cyclical measures outlined above, recommending instead to concentrate on soundness of public finances (OECD, 2013). The latter approach is building a part of what can be broadly identified as the neoclassical economics school – a paradigm that was critically challenged by John Maynard Keynes in the 1930s, during the time of the Great Depression which offered a lot of new empirical material for his work (Heise, 2012).

Building on Keynes' theoretical and empirical legacy, it is common for his followers today (e.g. the Post-Keynesianism and the Neo-Keynesianism schools), to advocate pro-grow fiscal measures to the current recession, as outlined above by the former approach. They justify this stance by partly emphasising the common origins of the current crisis and those of the Great Depression: for example, drawing parallels between the building-up of bubbles prior to both crises, and between the developments of today's financial markets with the one's at the beginning of the 20th century, both time periods being dominated by the rise of finance-dominated capitalism with its increase in financial speculative products. Furthermore, they find similarities in the policy mistakes in response to both crises, the ones of the 1930s being replicated today (Dejuán, Paños, Gonzalez, 2013: 2-4).

Although the followers of the Keynes school do not have a completely unified interpretation of the origins of and answers to the crisis in Europe (Dejuán, Paños, Gonzalez, 2013: 2-4), the major lines of division can be drawn primarily between the schools in economics (Keynesian, Post Keynesian, monetarist, classical, new classical, and new Keynesian), which once again became more pronounced in their judgement of fiscal policies in the crisis-affected countries (Palley, 2012). Without the intention of replicating the entire intra-school dispute, the following section gives an overview of the general trajectory of the crisis debate.

One line of division – between the followers of Keynes and the neo-economic school adherents – runs across the interpretation of the causes for the crisis in Europe with its epicentre of the Eurozone. The explanation provided by the neo-economists or mainstream economists is the one more widely acknowledged and often held as conventional wisdom. In its narrative the European debt crisis, as the name implies, is shown to stem from fiscal profligacy in the today's debtor states, owed to their lavish welfare states that have made them accumulate huge budget deficits. The Euro, as a common currency, is sidelined in this explanation of debt accumulation (Pérez-Caldentey and Vernengo, 2012).

By the same token, it has been claimed that member states did not manage to adhere to the Maastricht model of economic and monetary union (EMU). The attempts to control budget deficits in many countries were half-hearted, allowing labour costs and prices to rise. Hence, they have been complacent in the explosion of their current account deficits. By implication, the second decade of the EMU was made possible and allegedly successful only due to the unlimited availability of cheap credit. The German excess savings were freed from the past constrains of exchange rate risks and coincided with the upswing of the global credit cycle around the world, which set the frame for running and funding of large current account deficits (Mayer, 2013).

For Neo-Keynesians, such as Krugman (2011), the origin of the crisis should be traced back to the circumstances surrounding the pre-crisis years of the Eurozone. This explanation resembles the previous one in one common regard, which happens to be the accumulation of debt on the part of Greece that announced a concealed debt over a period of time after a change in governments. For the rest of the explanation it is maintained that Greece's story has been unjustly assigned to other debtor countries, since before the bubble bursting both Spain and Ireland had run balanced budgets and their fiscal policies were considered prudent, whereas the deficits of other future debtor countries were of no dangerous scope. The budget deficits had first occurred as a result of the financial crisis – the bubble bursting on the real estate markets in Europe has scared away investors (primarily banks of northern member states). The previous financial flows from member states in the North to the ones in the South have dried out. Consequently, after the boom in the housing sector was over, a reduction of required employers and growing unemployment have taken place, accompanied by the rise in social care expenses with less space for taxation. This, in total, is made responsible for the hollowing out of the budgets. Such a development, in its turn, was in the first place made possible by the common currency area that has harmonised interest rates.

Another aspect in the crisis dynamic, as pointed out by Eichengreen (2014), is the institutional architecture of the currency area that was devised without any provisions for a situation of trade imbalances between its different parts. The Eurozone, in his view, has failed in the circumstances of financial and economic crisis, as it does not meet the requirements of the 'optimal currency area' [1]. As established by a theory with the eponymous name, two of its requirements are labour mobility and fiscal integration. With the reference to the same theoretical considerations, Krugman (2011) argues that a common currency area coinciding with an area of a nation state has the advantage that usually language barriers or cultural differences do not stand in the way of labour mobility, as is largely the case in Europe. Labour mobility, however, is just one means to cope with the trade imbalances, in which one part of the currency area experiences boom, demanding more labour, while the other is suffering from a bust and by implication from unemployment. This same evening-out effect of labour mobility in economic performance has the mechanism of fiscal integration, in which the safety net of the presently weaker part of the currency union is compensated via federal redistribution at the cost of the better-faring parts. Krugman (2013) is furthermore emphasising that fiscal integration was instrumental in allowing pro-grow policies in the US, (even if he is advocating more of these), while the lack of fiscal integration led to pro-cyclical policies in the EU and eliminated any prospect of recovery.

That imbalances in a monetary union in general are inevitable if its members are economically heterogeneous, was established already by John Maynard Keynes (1944). To make such a union functional, it requires charter mechanisms to clear the imbalances. Building on this theoretical foundation, the architecture of the Eurozone can also be judged as responsible for the *persistent* nature of the current crisis in Europe, while its mitigation would be achieved through restructured cross-country liability for sovereign debt. This would imply amending the Lisbon Treaty towards allowing more space for one

1 'Since Mundell (1961) first developed the concept of an optimum currency area a vast literature has developed in the area. This literature includes classic contributions by McKinnon (1963) and Kenen (1969). Recent surveys are available in Tavlas (1992) and Bayoumi and Eichengreen (1996). Much of this literature focuses on four inter-relationships between the members of a potential OCA. They are: 1) the extent of trade; 2) the similarity of the shocks and cycles; 3) the degree of labor mobility; and 4) the system of fiscal transfers (if any). The greater the linkages between the countries using any of the four criteria, the more suitable a common currency.' (Frankel and Rose, 1996).

nation within the Eurozone to be able to stand in for another that is facing the sovereign debt crisis, which the treaty is currently inhibiting (Basu and Stiglitz, 2013).

The above position attributing the Eurozone crisis mainly to the flawed institutional provisions of the common currency area has been challenged to the extent that another factor also needs to be taken into account, namely that the crisis is mostly imported from the US. The 'imported' toxic financial assets have suddenly lost much of their value resulting in the lack of trust on financial markets and the difficulty of liability repayment on the part of debtor member states. Thus, peripheral countries are not to be blamed for being particularly strongly affected by the crisis (e.g. Nowak and Shachmurove, 2012).

When trying to find ways out of the recession one strand of research has been dedicated to a comparison of Europe with other parts of the world. One of the geographic areas revisited is Latin America, in particular Argentina. Greece is compared with Argentina respective similarities in both countries' situations being initially faced with the strict IMF restructuring packages, and with regard to whether a rapid recovery after a default, undergone by Argentina, could take place in Greece in case of its Eurozone exit (Ocampo,2013; Griffith-Jones, 2013).

The European crisis experience has also been studied within the broad context of historically and geographically dispersed crises, covering centuries of economic and financial history. By addressing the relationship between debt and growth of an economy, Reinhart and Rogoff (2010) come to the conclusion was that there is a ratio between the two (if debt-to-GDP exceeds 90%). The article was influential after its release since it managed to strengthen the pro-austerity sentiments. It has however also earned much criticism, particularly with regard to the accuracy of its data treatment (Krugman, 2013).

The recommendations to the troika (the IMF, the European Central Bank and the European Commission) has been wide ranging. On the one hand, there was advocacy of more burden sharing across the Eurozone and of partial debt cancellation, which would eventually allow demand to grow across the currency area and to end the recession (de Grauwe, 2013). On the other hand, it has been countered that unconditional transfer would be an answer only under the assumption of "static" criteria of an optimum currency area, and the transfer would not fundamentally solve the long-term structural problems of debtor countries. These, however, could emerge as more dynamic economies from the crisis as a result of restructuring policies (Schmieding, 2013). This argument is, in its turn, challenged by questioning about the actual goals of peripheral restructuring, maintaining that Eurozone cannot consist largely of Germany-like, export-driven economies, unless there is an unlikely development towards a huge global boom in the years to come. Finally, the prediction of what the EU will look like in 2020 is made dependent on how the disagreements, especially between Berlin and Paris, on whether the latter should and need to restructure, will be resolved (Magnus, 2013).

European debt crisis subjected to political science research:

The dimension of these events cannot be anything but of profound repercussions for the development of political science, and in particular for European Studies, as pointed out by Della Sala (2011). This can be attributed to the fact that the crisis raises many new questions of which the most explicit one pertains to the understanding of the impact of crisis on the process of European integration. While prior to the events launched in 2008 by the collapse of Lehman Brothers the phenomenon of 'crisis' was widely understood by political scientists as a force ultimately propelling the European integration, this stance today is strongly challenged.

The research area of European integration in its reaction to the crisis can be subdivided into three streams. One can discern, firstly, a research stream dedicated to the bottom-up impact of the national level on the supranational, with regard to the moulding of crisis' progression; secondly, studies preoccupied with the top-down dimension of the crisis management that embraces the EU supranational and global levels in their joint structuring of the crisis in the EU; and thirdly, a stream focused on the crisis-altered EU relations with the rest of the world.

For example, within the first research stream, Moravscik (2012) gives an account of how EU member states have grown apart instead of converging in political and economic terms – a process that made the Eurozone crisis inevitable. Respective the progression of the crisis, the research stream revolves around the degree of impact on the management of the crisis made by national governments vis-à-vis their EU level colleagues (e.g. Auel and Höing, 2014). Attention has been also dedicated inter alia to questions of whether the EU and -Eurozone membership has an impact on the exposure and reaction to the crisis (Thorhallsson,and Kirby, 2012). This research stream also encompasses questions of whether single member states have managed to spread their crisis-combating mechanisms to the rest of the EU, one potential example being the Europeanization of the British banking rescue plan (e.g. Quaglia, 2009).

The stream of European integration preoccupied with the reverse impact of the top-down nature and the adjustment at the national level to the EU and global levels in the context of the crisis features for example a contribution by Featherstone (2011). It illuminates the issue of how the belated response by the ECB and the European Council of Ministers to the crisis in Greece was encountered within the country with growing doubt of its legitimacy and effectiveness. Other studies of top-down dynamic encompass inter alia the respective role of single EU institutions in formulating anti-crisis measures, e.g. in the context of simultaneous adjustments to the Lisbon Treaty (Dinan, 2011), or around the extent to which the European Summits had an influence on devising of crisis-redressing strategies (Smeets and Zimmermann, 2013).

Some contributions to the study area were characterised by immediate reaction to the crisis. Thus, for example, the question of democratic legitimacy has been dedicated attention to after the instalment of technocratic governments in some of member states affected by budget deficits (e.g. Andor, 2009). Similarly, the effort to maintain the Euro as a common currency was examined as potentially undermining democratic governance in the EU (Crum, 2013).

The discourse of the trajectory of integration is also analysed regarding its change after the economic slowdown at the national level (e.g. Dabrowski, 2010). Furthermore, the discursive and framing analysis have helped to study inter alia the narratives by political actors and the forms of blame-shifting within the national context of political crisis discourse, e.g. in Greece (e.g. Vasilopoulou, Halikiopoulou, Exadaktylos, 2014). By the same token, the development of national and European identities has been assessed in connection with the growing politisation of national public spheres, before and during the crisis (e.g. Risse, 2014).

In its third major research stream, European Studies have been also addressing the crisis in its broader impact on the EU relations with other world regions and with EU neighbouring countries, e.g. the effect of the crisis on the EU's neighbourhood policies and the enlargement process (e.g. Whitman and Juncos, 2012).

The current edition – its purpose and contributions:

The focus of the current issue is a quite narrow one – austerity in the context of the crisis in the EU along two dimensions or two axes. The vertical axis explorers the adaption and distribution of austerity on national vs. supranational levels in the concluding article. The horizontal axis is revisiting the distribution of austerity burden amongst member states, due to economic, political and populist considerations, devoting special attention to Germany and Greece.

There are two distinctive features of this issue in their attempt to further explore the topic of austerity. First, the three contributions adopt the interdisciplinary approaches or innovative combinations of methodologies in tackling the questions they pose. Thus, these articles unite theoretical foundations and concepts borrowed from the disciplines of political science, economics and psychology, which allows gaining synergy effects from uniting explanatory power of single concepts.

Another innovative feature common to the three articles is their attempt to challenge the boundaries of conventional definitions and concepts related to the crisis, which are usually left unquestioned by the wealth of existing literature. Thus, austerity is explored not simply as the reduction in public spending, being conventionally considered a national level competence, but as connected to social progress and to the wider dynamics of European integration, as well as being implementable at all levels of the EU structure. Similarly, the process of national identity formation in its implication for understanding and management of the slump is explored as a self-referential and dynamic process.

The initial idea of publishing of the present issue was born at the postgraduate conference "After the Crisis?" at the University of Manchester in 2013. The interest in the present issue by the conference participants was subsequently backed by some additional applications. The contributions that have finally made it into the present issue are summarized below.

The first article, 'Europeanisation: New Ways to Conceptualise European Union Integration' by Ben Duke, in its first part is revisiting the major viewpoints in economics and political science, at the same time linking the concepts of the two disciplines. This sets a frame for the topic of the crisis in the EU regarding its abatement mechanisms and the implications of the same process on the European integration. Against this background, the article turns to a thorough discussion of concepts related to welfare state in Europe, such as European Social Model, the 'quality of life' and other GDP-alternative measures of societal progress. It demonstrates how and why the concepts are currently in the process of re-examination and re-definition. In its next part, the article takes into account the budgetary constraints promoted by the EU during the crisis as well as overall longer period of time, e.g. austerity mechanisms, membership conditionality of Open Method of Coordination, apart from the neoliberal norms exported by the EU to its neighbourhood. The common feature of the different austerity mechanisms identified is the inconsistency in the degree of implementation and surveillance of neoliberal constraints within the EU, during and beyond the crisis. In its conclusion, the article stresses that the direction of the EU-project seems to remain vaguely defined, despite growing awareness of the need for a political union to gradually replace the monetary union. It closes with a caution against possible unforeseeable consequences of economic and social nature, stemming from the ongoing attack on the welfare state.

While the first article is an example of the contribution to the Euro crisis discourse, based partly in economic theory, ranging 'from Keynes to Hayek', the second article, 'The Eurozone crisis and the politics of blaming: the cases of Germany and Greece' by Ioanna Ntampoudi, resumes the debate by enquiring into broader political discourse. It analyses the treatment of the EU crisis in the mass media in its function of nourishing two antagonistic narratives traceable to the two economic schools, but bloating their factual argumentation with stereotypical representation and extending it to cultural, political and moral dimensions. The article offers a critical discourse analysis of mainstream media and of elite rhetoric in the wake of the crisis, concentrating on construction of two narratives depicting the German and Greek roles in the crisis of Eurozone. In so doing, the main goal of the article is to examine how these narratives shape national identities and to explain the psychological underpinnings behind their evolvement, by applying social identity theory and social representations theory. The article is thus striding disciplinary divide between the social psychology and political science. More specifically, the broad stereotypes of constructed identities of Germans and Greeks are depicted within the broader context of prototypical representatives of 'Core Europe' and 'Periphery Europe', while their formation is assessed behind the background of the concept of the group identity formation. The group identity, in this case national identity, is found to be unstable or prone to identity threat in both social groups. This, according to the author, shapes the representation of identities in the discourse. The article concludes with a reflection on the potential of this identity formation to impact upon political processes.

The concluding article, 'Austerity at EU level? How the crisis impacted EU budget and policies' by Viviane Gravey, resorts the question of whether the measures of austerity were of any implication for the level at which they were devised. The article is thus enquiring into the empirical area hitherto lacking the due attention in political science, where the interest is largely directed at the national level of 'belt tightening'. The present approach to austerity is characterised by a definition of austerity in its broader version, which is spawning not just the cuts in public budgets (or EU budget), but equally the curtailment of EU-level legislation in an attempt to reduce the cost of surveillance and implementation of EU regulations and directives. Setting a timeframe of five years between 2008 and 2013, this article is testing the hypothesis related to presence, strength and success of calls for EU-level austerity, to the extent they have materialised so far. For the purpose of validating these assumptions, official documents, including the EU five year budgets, as well as the newspaper articles are analysed towards their framing of the discourse around EU budgetary/policy cuts with the justifications related to "crisis", "austerity" or "recovery". The article finds that budgetary restraints stipulated in the years studied were quite pronounced by comparison to the predecessor budgets. At the same time, policy dismantling due to the crisis is distinguished as a more complex issue, worthy a further scrutiny in the years to come. So far, the documents examined reveal an existing preoccupation of policy-makers with the expediency of the scope of EU's *acquis communautaire* in the situation of the economic slowdown. However, the expansion of the *acquis* was similarly questioned on the basis of subsidiarity and proportionality principles, which allows identifying a longer-term trend in the attitude on the EU level austerity, being only more recently attributable to the crisis-related challenges.

Acknowledgements: I would like to express my gratitude to all who could devote their time to the articles at hand, thus making the rigorous academic peer review of this issue possible. Thanks to the extensive and detailed advice obtained, the present contributions have got a chance to mature academically, (which equally applies to a couple of articles withdrawn for substantial revisions). It was a privilege for me as a guest editor to observe and to guide this process. The editing project, however, could not be realised without participation of the former Chief Editor of Political Perspectives, Dr. Tomas Maltby, whom I would like to thank for his continuous support and advice. I would also like to thank the current Chief Editor of the journal, Simon Chin-Yee, for finalising the formatting of the issue.

References:

Andor, L. 2009. "Hungary in the financial crisis: a (basket) case study," Debatte, 17(3): 285-296.

Auel, K. and O. Höing, 2014. "Parliaments in the Euro Crisis: Can the Losers of Integration Still Fight Back?," JCMS: Journal of Common Market Studies, 52(6): 1184-1193.

Basu, K., and J. E. Stiglitz. 2013. International lending, sovereign debt and joint liability: an economic theory model for amending the Treaty of Lisbon. https://openknowledge.worldbank.org/handle/10986/15999. Accessed 06.10.2014.

Crum, B. 2013. "Saving the Euro at the Cost of Democracy?," JCMS: Journal of Common Market Studies, 51(4): 614-630.

Dabrowski, M. 2010. "The global financial crisis: Lessons for European integration," Economic Systems, 34(1): 38-54.

Deutsche Welle, 04.08.2014. "Juncker: Eurozone crisis not over" http://www.dw.de/juncker-eurozone-crisis-not-over/a-17830950. Accessed 06.10.2014.

Dejuán, Paños, Gonzalez, 2013. Post-Keynesian Views of the Crisis and Its Remedies, New York: Routledge.

Della Salla, V. 2011. "After the Crisis: Why Political Science and European Studies," Interdisciplinary Political Studies, 1: 3-6.

de Grauwe, P. 2013. "The Creditor Nations Rules in the Eurozone," http://www.lse.ac.uk/europeanInstitute/pdfs/CER-report-18.9.13.pdf. pp. 11-23. Accessed 09.10.2014.

Draghi, M. 2014. "Unemployment in the euro area," Speech by Mario Draghi, President of the ECB, Annual central bank symposium in Jackson Hole, 22 August 2014. https://www.ecb.europa.eu/press/key/date/2014/html/sp140822.en.html. Accessed 08.10.2014

Dinan, D. 2011. "Governance and Institutions: Implementing the Lisbon Treaty in the shadow of the Euro crisis. JCMS: Journal of Common Market Studies," 49(1): 103-121.

Eurostat, 2014 a. "General government gross debt - annual data," http://epp.eurostat.ec.europa.eu/tgm/graph.do?tab=graph&plugin=0&pcode=teina225&language=en&toolbox=type Accessed 08.10.2014

Eurostat, 2014 b. "Real GDP growth rate – volume," http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tec00115 Accessed 08.10.2014

Eurostat, 2014c. "Long term government bond yields," http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=teimf050&plugin=1 Accessed 08.10.2014

Eurostat, 2013c. "Provision of deficit and debt data for 2013 - first notification," http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/2-23042014-AP/EN/2-23042014-AP-EN.PDF Accessed 08.10.2014

Eichengreen, B. 2014. The eurozone crisis: the theory of optimum currency areas bites back. University of California, Berkeley. https://www.notenstein.ch/sites/default/files/publications/white_paper_eichengreen.pdf Accessed 08.10.2014

Featherstone, K. 2011. "The Greek Sovereign Debt Crisis and EMU: A Failing State in a Skewed Regime." Journal of Common Market Studies 49(2): 193–217.

Griffith-Jones, S. 2014. "Frome Austerity to Growth in Europe: Some Lessons from Latin American", in Joseph E. Stiglitz, Daniel Heymann, eds., Life After Debt: The Origins and Resolutions of Debt Crisis. New York: Palgrave Macmillan, pp. 145-171.

Frankel, J. A. and A. K. Rose. 1998. "The endogenity of the optimum currency area criteria," The Economic Journal, 108(449): 1009-1025.

Heise, A. 2012. "'When the facts change, I change my mind…'
Some developments in the economic scientific community and the situation in Germany," http://www.paecon.net/PAEReview/issue62/Heise62.pdf. Accessed 08.10.2014

Keynes, J. M. 1944. "John Maynard Keynes at the House of Lords, 23 May 1944." The Collected Writings of John Maynard Keynes, 26 (1944): 1941-1946.

Krugman, P. 2013. "How the Case for Austerity Has Crumbled," http://www.nybooks.com/articles/archives/2013/jun/06/how-case-austerity-has-crumbled/. Accessed 08.10.2014.

Krugman, 2011. "Can Europe Be Saved?," http://www.nytimes.com/2011/01/16/magazine/16Europe-t.html?pagewanted=print Accessed 09.10.2014.

Magnus, G. 2013. "Europe Needs an Alternative to Stagnation and Fragmentation," http://www.lse.ac.uk/europeanInstitute/pdfs/CER-report-18.9.13.pdf. pp. 25-33. Accessed 09.10.2014.

Mayer, T. 2013. "The view from 2020: How the Eurozone and the EU Were Fianally Stabilised," http://www.lse.ac.uk/europeanInstitute/pdfs/CER-report-18.9.13.pdf. pp. 35-43. Accessed 09.10.2014.

Moravscik, A. 2012, "Europe after the Crisis: How to Sustain a Common Currency," http://stjoe.k12.in.us/ourpages/auto/2012/11/30/67250725/12-0506%20Europe%20After%20the%20Crisis.pdf Accessed 09.10.2014.

Nowak and Shachmurove, 2012." Failing Institutions Are at the Core of the Euro Crisis," http://economics.sas.upenn.edu/sites/economics.sas.upenn.edu/files/12-041_0.pdf. Accessed 08.10.2014.

Ocampo, J. A. 2014. "The Latin American Debt Crisis in Historical Perspective", in Joseph E. Stiglitz, Daniel Heymann, eds., Life After Debt: The Origins and Resolutions of Debt Crisis. New York: Palgrave Macmillan, pp. 116-122.

OECD, 2013. "Government Finance Indicators: Truth and Myth". https://www.google.co.uk/search?q=GOVERNMENT+FINANCE+INDICATORS%3A+TRUTH+AND+MYTH&ie=utf-8&oe=utf-8&aq=t&rls=org.mozilla:en-US:official&client=firefox-a&channel=sb&gfe_rd=cr&ei=s5c_VOCJH6ih7AacvYDYAQ. Accessed 08.10.2014.

Palley, 2012. “Keynesian, Classical and New Keynesian Approachesto Fiscal Policy: Comparison and Critique,” http://www.boeckler.de/pdf/p_imk_wp_96_2012.pdf. Accessed 08.10.2014.

Pravda, 14.01.2014. “Is the Greek crisis over? ”http://english.pravda.ru/business/finance/14-01-2014/126589-greek_crisis-0/ Accessed 07.10.2014.

Pérez-Caldentey, Vernengo, 2012. “The Euro Imbalances and Financial Deregulation: A Post-Keynesian Interpretation of the European Debt Crisis,” http://www.levyinstitute.org/pubs/wp_702.pdf Accessed 08.10.2014.

Quaglia, L. 2009. “The ‘British Plan’ as a Pace-Setter: The Europeanization of Banking Rescue Plans in the EU?,” JCMS: Journal of Common Market Studies, 47(5): 1063-1083.

Reinhart, C. M. and Rogoff, K. S. 2010. “From financial crash to debt crisis,” http://scholar.harvard.edu/files/rogoff/files/from_financial_crash.pdf. Accessed 06.10.2014

Reuters, 11.06.2014. “Merkel says latest ECB moves show euro crisis is not over” http://uk.reuters.com/article/2014/06/11/uk-ecb-germany-idUKKBN0EM19D20140611 Accessed 07.10.2014

Risse, T. 2014. “No Demos? Identities and Public Spheres in the Euro Crisis,” JCMS: Journal of Common Market Studies, 52(6): 1207–1215.

Schmieding, H. 2013. “Reaping the Rewards of Reform,” http://www.lse.ac.uk/europeanInstitute/pdfs/CER-report-18.9.13.pdf. pp. 45-54 Accessed 09.10.2014.

Smeets, D., and M. Zimmermann. 2013. “Did the EU summits succeed in convincing the markets during the recent crisis?,” JCMS: Journal of Common Market Studies, 51(6): 1158-1177.

Stiglitz, J. 2014. “Europe’s Austerity Disaster,” http://www.social-europe.eu/2014/09/europes-austerity-disaster/. Accessed 08.10.2014

Thorhallsson, B. and P. Kirby. 2012.”Financial Crises in Iceland and Ireland: Does European Union and Euro Membership Matter?,” JCMS: Journal of Common Market Studies, 50(5): 801-818.

Vasilopoulou, S., Halikiopoulou, D., and T. Exadaktylos. 2014. Greece in crisis: austerity, populism and the politics of blame. JCMS: Journal of Common Market Studies, 52(2), 388-402.

Whitman, R. G. and A. E. Juncos. 2012. “The Arab Spring, the Eurozone crisis and the neighbourhood: a region in flux,” JCMS: Journal of Common Market Studies, 50(2): 147-161.