

# The Implications of the Economic and Monetary Union for Democratic Sovereignty:

a comparative study of Germany and Greece

Thesis

submitted for the degree of Doctor of Philosophy

Faculty of Economics and Social Sciences

Eberhard Karls University Tuebingen

by

Sabina Musaeva

born in Makhachkala, Russia

Tuebingen

2018

Date of the oral examination:

17.09.2018

Dean:

Professor Dr. rer. soc. Josef Schmid

First Supervisor:

Professor Dr. Hans-Juergen Bieling

Second Supervisor:

Professor Dr. Gabriele Abels

## Table of contents

<b>Introduction</b>	1
<b>Chapter 1: Approaches to European integration</b>	
1.1. Supranationalism vs. intergovernmentalism and the debate on democracy in the EU	15
1.2. The new polity approaches – democracy vs. re-conceptualized empire	26
<b>Chapter 2: Sovereignty, Legitimacy, and Democracy</b>	
2.1. Popular sovereignty: history, function, and features	46
2.2. Legitimacy, democracy, and democratic sovereignty	53
2.3. Deliberative democracy	58
<b>Chapter 3: Methodology</b>	
3.1. Research question and operationalization	71
3.2. Discourse analysis	73
3.3. Context analysis	78
3.4. Case studies	79
<b>Chapter 4: The European Economic and Monetary integration: features and explanation of dynamics</b>	
4.1. Globalization and economic policy	81
4.2. The financial dimension of globalization and integration within the EMU	84
4.3. The institutional dimension and the mandate within the Economic and Monetary Union	90
4.4. European discourses on the EMU: discursive contestation and bargaining power	94
<b>Chapter 5: Germany</b>	
5.1. Economic and monetary policy in the Federal Republic of Germany before the EMU: the Bundesbank, stable currency, and the German economic policy paradigm in the context of de-centralized polity with inclusion of social partners	105
5.2. The context and the mode of governance after the EMU: the new central bank and disrupted balance between ordoliberalism and managed capitalism	112
5.3. The elite discourse on the EMU in Germany between the years 1997 and 2000: dominance of the ordoliberal coalition	116
5.4. The elite discourse on the EMU in Germany between the years 2010 and 2015: the social democratic opposition and re-established convergence towards the ordoliberal discourse	135
<b>Chapter 6: Greece</b>	
6.1. Economic and monetary policy in the Hellenic Republic before the EMU: the Greek state and economy	156
6.2. European integration and the reform programs between 1985 and 2010	163

6.3. The elite discourse on the EMU in Greece between the years 1997 and 2000: the contested dominance of the neoliberal competitiveness discourse	169
6.4. The elite discourse on the EMU in Greece between the years 2010 and 2015: enforced contestation and the failed dominance of the neoliberal competitiveness discourse in the times of crisis	182
<b>Chapter 7: Democratic deficit and the asymmetric nature of the EMU</b>	
7.1. Monetary, economic, and socio-political discourses	201
7.2. Implications for democracy	210
<b>Conclusion</b>	216
<b>Bibliography</b>	222

## **Introduction**

European integration is a process where states decide to act together in some policy areas, either through transferring some competences to supranational institutions or through institutionalizing stronger cooperation. This process has certain benefits for the member states: not only in economic terms (as a common internal market) but also in terms of security and foreign policy. It strengthens the position and the voice of European states in global politics, potentially enabling them to influence the global agenda. Therefore, through recognising and institutionalizing their interdependence in the EU, the member states can actually increase their independence and gain an opportunity to enhance the effectiveness of domestic policies.

All the member states of the European Union (EU) represent democracies, where political and participative rights of their citizens are consolidated in national constitutions. In light of the growing challenges of globalization, European integration can potentially enforce the democratic quality of its member states because it enables the projection of national interest beyond the state, protecting the domestic socio-economic models and increasing a state's capacity to act (Habermas 2011; Dingwerth et al. 2011).

Yet the willingness of national elites to integrate and subject policies to common regulation in the EU varies significantly across policy fields. The most sensitive areas remain 'sovereign' or dominated by the intergovernmental mode of cooperation. An especially interesting case in this regard is the case of the Economic and Monetary Union (EMU). In this case we observe how monetary policy has been completely integrated and transferred to a supranational institution, the European Central Bank, while the economic policy has been left under the authority of each individual member state. In fact, there is no other example of such separation of these two closely related policy areas. On the contrary, there are good reasons to implement economic policy on the EU level, especially after introduction of the common currency (Beetsma/Debrun 2004; Bell 2003; Crouch 2000a; De Grauwe 2009; Fatas 1998; Wessels/Linsemann 2002). Both economic and monetary policies are crucial for the redistributive capacity of the state, and they both correspond to the functional logic of integration, as described above. It is therefore puzzling why some states are still highly reluctant to formally transfer competences in economic policy to the European level. The status quo must be beneficial for some actors who profit from divergence and preservation of certain competition among the European economies. This factor has

certainly proved its negative implications on democracy in the member states, especially during the crisis from 2010 on (Bieling 2011; Bratsis 2010; Scharpf 2012; Scharpf 2013).

The issue of democratic sovereignty in a two level polity of the EU depends on the clear definition of the scale and the depth of decision-making on each level. The requirement of citizen participation is determined by this definition because the inclusion should be provided on the level of the real decision-making. The democratic deficit of the EU has been discussed on numerous occasions, especially within the academic research (Schimmelfennig 1996; Schaefer 2006; Karlsson 2001; Schmitter 2000; Calliess 2005; Höpner et al. 2010; Majone 1998; Follesdal/Hix 2006). While supranational institutions and negotiations strongly influence and sometimes even shape the domestic policies of a nation state, the room for effective participation of the citizens shrinks. Simultaneously, some interest groups, strongly present on the domestic level, do not have equal capacity to influence the agenda on the European level (Crouch 2008).

Economic policy is defined as governmental activity with the purpose of influencing the economy. It is comprised of a number of instruments, including those of monetary policy. It is a highly controversial policy field, as it does not only directly effect the distribution of welfare but also concerns the alignment of social forces. It is not a secret that the choice of the path of economic development as well as the framework of taxation and budgetary policies are often regarded to be the core of the sovereign statehood. Public compliance in this policy area requires an especially high level of legitimacy (see Scharpf 2012). Monetary policy is the part of economic policy that is focused on the regulation of a currency (its volume and value). It is important to emphasize that monetary regulation as part of economic policy embodies a political implementation of values. Within a democratic rule both are embedded in institutions that reflect traditional values of justice and legitimacy (see Scharpf 2012).

In the EMU, we observe the common market and de-nationalization of the member state currencies combined with the strong formal protection of national sovereignty in the field of economic, budgetary, and labour policies.

„That European integration as we know it amounts in its core to economic liberalization is closely associated with its constitutive mismatch between the institutional range of political sovereignty and the size of the integrated market; with decentralization of politics coinciding with centralization of market-making; and with the embedding of

national political institutions in an international market which exposes them to pressure of regime competition, both forcing and enabling national governments to push back demands for political „distortion“ of that market” (Streeck 1999: 161-162, translation S.M.).

Although in the EMU economic policy formally still belongs to the member state competences, it does not mean that it remains untouched by the dynamic of integration. The launch of the EMU changed the overall context of economic policy in the member states, whereas the costs of adjustment were different across them (Schmidt 2003; Becker 2014; Van Esch 2014; Wessels/Linsemann 2002). Regime competition increased by both globalization and European integration re-shaped the conditions of economic activity, resulting in higher pressures on national economic and redistributive policies (Bell 2003; Overbeek 2012; Pierson 2001; Rodrik 2000; Rodrik 2011; Zohlnhoefer 2009). Liberalization as an attractive option for the supranational policies due to its requirement of a minimal consensus (negative integration) clashes with the post-war model of the European welfare state, which was designed to be the shock absorber, providing a balance between the economic and the social.

Moreover, the project of common currency set the priority of macroeconomic stability and exclusively nominal convergence over social policies (Bell 2003; Blyth 2013; Fitoussi/Creel 2007; Forder 2004; Radice 2014; Underhill 2002). The framework of the EMU ignores the aspect of economic divergence across the member states; some of them strengthened their leading exporting positions since the launch of the EMU, and the others gained access to a cheaper credit but failed to adjust, facing both policy competition and competition among the European enterprises. These circumstances increase the chances of an economic downturn in some parts of the EMU (asymmetric shocks) (Alesina et al. 2010; Beetsma/Debrun 2004; De Grauwe 2013; Fatas 1998). The problem in the construction of the EMU is that, while eliminating sovereign currencies and having anti-inflationary mandate, it leaves open only the option of internal devaluation of wages and cuts of the welfare spending, which is the definition of austerity. The latter policies cause insecurities and unemployment, lead to social tensions and political instability, and shake the fragile structures of the EMU, endangering the project of European integration.

This problem is especially well illustrated by the circumstances of the crisis. The events after the financial crisis of 2008, revealing neglected divergence and failures of the EMU construction, resulted in lasting control over member state budgetary and fiscal policies. The latter restricts the democratic right of a population to define

both its budgetary strategy and priorities based on internally set procedures. A de facto European economic constitution (Bieling 2011) has been established exclusively in terms of austerity and a stabilization state with inadequate involvement of national parliaments (see Auel/Hoeing 2014; Benz 2013), without inclusion of social partners and despite internal disagreement within the Council of the European Union. This crisis does not only illustrate a de-democratization process, especially due to increased pressure on the member state democratic institutions and strong acceleration of reforms but is also a period where economic agenda became fixed on certain type of economic policies, excluding other policy options from the discourse.

### *Literature review*

Two branches of research that scrutinize the questions of democracy are especially relevant for this thesis: first, the research on European integration with a focus on democratic deficit and normative requirements for a democratic European Union; second, the research on consequences of economic globalization, especially the Euro zone crisis, for the democracies in the EU member states.

There are numerous scientific publications on the topic of the democratic deficit in the EU, which is often linked to the debate on finality of the European integration (supranationalism versus intergovernmentalism). Zielonka fairly notices that a democratic deficit partly results from the unclear arrangements, as it is not only hard to control the EU decision-makers but also difficult to interpret the depth and course of integration, especially for the ordinary citizens (Zielonka 2006: 5). Pointing out the democratic deficit, scholars refer to weakness of the European Parliament and simultaneously decreasing powers of the national parliaments (Pollak/ Slominski 2012; Benz 2013; Auel/Hoeing 2014; Sotiropoulos 2015; Wiesner 2016), the unelected character of the European Commission, poor participation in the European elections, weak European political parties, remoteness of the Union's decision-making, and lack of political competition within and among elites etc. (see Lord 1998; Schaefer 2006; Hix 2005; Haltern 2005; Anderson 1999). A participating government gets some space to avoid the democratic procedures, and the technocratic supranational institutions are not directly legitimized. Some authors point out the fact that the European decision-making structurally withdraws from the critical and evaluative public scrutiny (Schmalz-Bruns 2002: 291; Karlsson 2001; Schmitter 2000; Calliess 2005; Bickerton et al. 2015).



Additionally, there is a scientific discourse on the challenges that national democracies generally face under the conditions of globalization where international or supranational institutions and negotiations strongly influence and sometimes even shape domestic policies of a nation state. Scholars often argue in favour of democratization of international and supranational governance (Archibugi/ Held 1995; Dingwerth/ Blauberger/ Schneider 2011; Neyer 2013; Rodrik 2011; Sbragia 2005; Schmidt 2003; Habermas 2011). James Caporaso fairly pointed out serious failures of ‘no-demos’ argumentation (Caporaso 2005: 59) that focuses on the lack of the lowest degree of political trust, loyalty, and solidarity in the EU (Kielmansegg 1996; Grimm 1995). According to some scholars, instead of a transnational demos, that is unlikely to appear anytime soon, one should count with and consider a plurality of transnational demoi (Abromeit/Schmidt 1998; Nicolaidis 2012; Cheneval/Schimmelfennig 2013).

However, there is neither a general agreement among scholars on the democratic deficit in the EU nor on the ways of fixing it. The arguments vary from necessity and possibility of a comprehensive democratization within the EU (Karlsson 2001) to there being no need for the further democratization, as legitimacy of a regulatory state is provided through its effectiveness (Majone 1998). Some scholars argue in favour of a gradual and incremental democratization of the EU, generally, after a nation state’s institutional pattern but with regard to the sui generis nature of the EU (Schmitter 2000; Calliess 2005). Other authors refuse to acknowledge democratic deficit in the EU and regard its democratization as undesired, threatening the efficiency (Moravcsik 2002; Majone 1998). Such a position clearly ignores that the concern is not only about the democratic structures of the EU but also about the democratic procedures within the member states, which are transformed through their involvement in European integration (Kohler-Koch/ Conzelmann/ Knodt 2004: 200). This transformation then results in the losses in democratic quality that are not absorbed on the EU-level (Kohler-Koch/ Conzelmann/ Knodt 2004: 200). Additionally, Follesdal and Hix argue that many EU’s regulatory policies in fact have redistributive consequences and are therefore not Pareto improving. Once winners and losers can be identified, the claim of efficiency becomes relative (Follesdal/Hix 2006).

At the same time, there is a growing scepticism among the authors that democratic deficit in the EU can be resolved through the creation or strengthening of democratic institutions of a nation state on the EU level (Cain 2005; Schmidt 2006). In

other words, the introduced elements of participative democracy have so far failed to secure democracy in the EU (Kohler-Koch/ Conzelmann/ Knodt 2004: 224). Therefore, some research underlines the necessity to search for a non-parliamentary legitimization strategy (Kohler-Koch/ Conzelmann/ Knodt 2004: 224). This approach is also supported by the general criticism of the contemporary state of democracy and effective participation of citizens reflected in configuration (Mitgestaltung), protest, and the explicit authorization of decision-makers, who must justify the decisions in front of the public (Abromeit 2004: 78). Some scholars claim that in a democracy the idea of representation alone (when fair elections of representatives are considered as the core of a democratic process) are not able to provide the sufficient level of legitimacy (Held 1995; Crouch 2008; see also Mouffe 2008).

Deliberative models of democracy gained some recognition within the scientific debate, as these models appear to suit the most regarding the specific of European integration. Influenced by the language theory (Austin 1985; Cavell 1979; Wittgenstein 2001), the idea of deliberative democracy is strongly rooted in the concept of popular sovereignty, understood as a radically democratic idea of the mass engagement in politics and an active civil participation in shaping of the political context (Habermas 2011; Habermas 1992; Tully 2013; Schmalz-Bruns 2002; Gutmann/Thompson 2000, Elster 1998; Eriksen 2007; Cohen/Sabel 1997; Neyer 2006; Fishkin/Laslett 2003). Eriksen and Fossum argue on the topic of democracy model for the EU that the “requirements must be sufficiently broad to encompass the possibility of non-state-based democracy, and the most relevant forms of state-based democracy” (Eriksen/Fossum 2012). The functional representation appears to be essential in a highly heterogeneous polity (Cohen/Sabel 1997). While ignoring diversity and volatility, the existing institutions of rule by majority can block important problem-solving possibilities through their uniform approach (Cohen/Sabel 1997). Governance within the EU cannot be based on a command and control but has to operate with argumentation, convincing power, and understanding (Joerges/Neyer 1998: 230).

Additionally to the discussion of democracy and European integration generally, there is research attempting to reveal the democratic deficit in certain policy fields, especially where the EU and a member state government share the competences. Such research also exists in the case of the EMU, arguing mostly in institutional and economic terms. The criticism has been expressed regarding the institution and the mandate of the European Central Bank (Andersen 2004; Scharpf 2012), transparency and

accountability of the monetary policy as well as its parliamentary overview (Jabko 2009; Heine/Herr 2004; Eichengreen 2010; Fitoussi/Creel 2007; Forder 2004; Brown 2010; Hueglin 2002), and finally, the neoliberal paradigm of the ECB (Fitoussi/Creel 2007; Dyson 2003; Schmidt 2003; Höpner et al. 2010).

The discussion on democracy in the EMU intensified during the crisis of the Euro zone in 2010. As historically steps forward in European integration have often resulted from some crisis, the current crisis also sets the dynamic and defines the future of European integration in the long term (Bieling/Huettmann 2016; see Epler/Scheller 2013). The current dynamic of the crisis constitutionalism, meaning redefinition of an earlier arrangement in societal relations through introduction of the new European institutional and political instruments in the period of crisis management (Bieling 2011; see Oberndorfer 2016), evidences in favour of both integrative and disintegrative tendencies. Although the decisions have been made in order to strengthen the integration within the EMU, the capacity to solve the root cause of the crisis, the effectiveness of those measures, and their lack of legitimacy rather set a disintegrative trend (Scharpf 2013b; Schwarzer 2013; Meyer-Rix 2013; Puntcher Riekman 2016; Schmidt 2013; Börzel/Risse 2018).

Some authors attempt to draw some attention to the tensions between capitalism and democracy, especially during the periods of economic crisis (see Schaefer/Streeck 2013; Scharpf 2013; Mair 2013; Schaefer 2013). Mair defined it as an acute tension between the demands of responsiveness and the demands of responsibility (Mair 2013: 141). In these circumstances the policy-making routine of the governments is situated simultaneously under the pressures of citizens and of markets (Schaefer/Streeck 2013: 19; Scharpf 2013).

The Euro zone crisis management and the legacy of those measures represent a serious constraint for the current and the future governments (Scharpf 2013; Mair 2013). These constraints can be identified in different important aspects of democracy. They resulted not only in the weakening of the European Parliament but also in the growing power asymmetries among the national parliaments, almost turning some of them into 'second class' parliaments (Benz 2013; Auel/Hoeing 2014; Sotiropoulos 2015). Simultaneously, the European Council gained power in a predominantly inter-governmental mode of the process of crisis management (Wessels/Schaefer 2016; Bickerton et al. 2015). Both one of the most powerful constitutional courts in Europe – the German Constitutional Court – and the European Court of Justice failed to en-

sure more openness, inclusion or even simply provide clear criteria of the legitimacy of the crisis management measures (Everson et al. 2016; see also Wimmel 2014; Höing 2015). Comparing the results of the public debates on the Euro crisis with the other debates on European integration, Grande and Kriesi came to the conclusion that, despite the sensitivity of the issue (having redistributive significance) and high salience, the debates on the Euro crisis were clearly not the broadest and the most intensive debates on integration (Grande/Kriesi 2015: 493). Dominance of the executive elites in the highly salient public debates on the Euro crisis prevented polarization and stronger politicization (Grande/Kriesi 2015), failing to include societal actors and concealing the real differences in the approaches to the crisis management. The simultaneous elitization and irrelevance of national elections for implementation of austerity have serious implications for democracy in the member states, tying hands of the newly elected government and blocking the policy change (Schaefer/Streeck 2013:1; Urban 2011). As scholars fairly argue “democracy depends on choice. Citizens must be able to influence the course of government through elections. If a change in government cannot translate into different policies, democracy is incapacitated” (Schaefer/Streeck 2013:1).

The previous research in this field is mainly based on the formal and institutional aspects of crisis management without due consideration to discursive factors for the long-term legitimacy of the EU policies in economic and monetary spheres<sup>1</sup>. It also does not provide an answer to the questions of how it was possible that certain measures were adopted and how the idea of austerity could be established as a guiding principle of the crisis management.

The approach in this thesis aims to draw attention to the unequal dynamic among the EU member states. It especially casts serious doubts on the view that, if decisions are made in the intergovernmental mode where each country has a representative and a formal veto power, those decisions are automatically legitimate and democratic. Recently, the case of the EMU displayed how an attempt to make decisions through an intergovernmental approach further increases asymmetries, instead of providing a base for convergence. Also, in my opinion, the focus on discourse in this research supports and further extends the democratic criticism of the monetary

---

<sup>1</sup> The existing research on discourse under the circumstances of the Euro crisis by Grande and Kriesi is limited to the credit-providing countries and focused on public debates (Grande/Kriesi 2015).

part of the EMU, which so far dominates by the institutional aspects (see De Grauwe 2013; Benz 2013; Mulhearn/Vane 2008; Beetsma/Debrun 2004). Summing up, the approach here would provide a different perspective on democratic deficit in the EU, locating the source of the deficit in-between the European and national levels of policy-making. Strong divergence in discourse would evidence the differences in economic policy realities and explain the lack of compliance and legitimacy as well as sometimes higher hurdles to the implementation of European norms. It provides a deeper look at the process of de-democratization in the EU beyond formal structures and institutions, but where the dominating discourse on the EU level drastically limits the possible policy options on the member state level without taking the full responsibility for the policy outcomes.

### *Research objectives and definitions*

This thesis has two objectives. The first one is to reveal the mechanism and nature of asymmetric power in the European Union through scrutinizing the case of the EMU. The second objective is to identify the effects of such an asymmetry on democracy and popular sovereignty in the member states. So, the main question of this research is: how do the shift of authority, which is expressed in the realignment of some competences between the EU and its member states, together with simultaneous recognition of sovereignty undermine democracy?

According to the first hypothesis of this research, democracy in the EMU has been undermined through the establishment of structures of the EMU, which ignore different economic and monetary policy dynamics in the member states. These structures have neither been the result of societal consensus nor do they provide channels for such consensus in future. My second hypothesis claims that the dominating EU discourse failed to naturalise itself and was resisted in some parts of the EMU. The consequence of such failure is distrust and the loss of legitimacy. It contains an element of coercion, when the existing antagonisms do not find a resolution through articulation, but some meanings are forced upon some groups. It increases an asymmetry of power and further enforces the centre-periphery relations among the member states.

In this research, the conceptualization of the EU as an empire of a new type is adopted (Cooper 2002; Posener 2007; Zielonka 2006; Bieling 2010). In this context, empire means a polycentric polity, employing non-hierarchical modes of governance

and recognizing its member states' sovereignty (Bieling 2010). It is a complex form of rule that governs its peoples by a combination of informal and indirect means while simultaneously recognizing these peoples as self-governing sovereign states. The latter implies that an empire often does not formally carry responsibility in the case of negative policy outcomes. The interaction among actors within an empire happens on the basis of constitutional equality, yet within the unequal relations of economic, political, and legal power. That is why it is described as an asymmetry. The latter means an unequal constellation where an unequal capacity of the member states to influence and push through the agenda on the European level can be observed. Through the European modes of governance, which coexist together with those of the member states, it is possible for empire to achieve the desired degree of policy harmonisation or divergence.

In this research, democratic sovereignty is understood as the ultimate location (act of locating) of final decision-making authority in the citizens on the principles of human self-determination and co-decision. Democracy can be broadly defined as the governance of people, governance through people, and governance for people (Schmidt 2006; Neyer 2013: 28ff). It is not something stable, being set once forever, but rather dynamic, depending on institutions, events, and discourse. As two closely linked ideas, both democracy and democratic sovereignty locate the competence to decide about the content of policies in the mass population. Yet, while the concept of democracy provides an institutional and procedural framework for application of democratic sovereignty, the latter represents a broader concept relating legitimate rule to the deliberate exercise of political freedom and human self-determination.

The European Union is certainly a special case for the democratic theory, and the academic discussions on the features and requirements of democracy in this case continue (as mentioned above). From my point of view, the democratic problem in the EU should not be reduced to institutional and procedural aspects. In this thesis, democratic governance is understood as a peaceful proceeding of differences with legitimizing outcomes. Moreover, democracy preserves its vitality out of these differences in opinions, which also represent the creative element of the democratic process (Cohen/Sabel 1997; Neyer 2006; Gutmann/Thompson 2000). Therefore, plurality of opinions and the decisions emerging from such plurality represent the cornerstone of democracy. The latter depends on the will expression through an open discussion. Through democratic process the communicative exchange within the plurality ends in

a decision, which should represent a consensus or at least a compromise (Thaa 2007; see Schmidt/Radaelli 2004; Gutmann/Thompson 2000). The difference is suppressed if a discourse is closed for the new elements. In this case it usually dominates, claiming to present the only universal truth. Then the decisions are not made by people anymore but are forced upon them (by politicians, negotiations etc.).

Due to the historical and cultural differences, the European Union will remain a space of discursive diversity, which should be channelled within a political system. Moreover, I think that the economic policy field deserves a special attention in regard to the democratic aspects. It is harder to identify democratic deficit in this field clearly from a formal or institutional point of view. Dyson underlines:

“As a multicultural phenomenon the EMU embodies a set of common beliefs about what is a ‘state’, what does ‘sovereignty’ mean, and what is to be understood under ‘to make Euro zone a success story’ and how should ‘power’ be exercised. Without consideration of this cultural dimension it is impossible to entirely capture the constitutive manner, in which the EMU influences the member states” (Dyson 2003: 463).

Following the logic of deliberative democracy, it is argued here that some type of deliberation among communities rather than individuals could potentially take place within the EMU. An attempt to assess the inclusiveness or exclusiveness of the discourse on the EU level in terms of responsiveness to the ideas, values, and perceptions in the member states is undertaken in this thesis, using the criteria of representativeness and contestation of the discourse on the EU level.

So, the democratic process as recognition of democratic sovereignty would ensure the integration and proceeding of differences within the decision-making, aiming at reaching a consensus. In order to check the hypotheses above, two case studies – of Germany and of Greece – are undertaken in this research. The case studies analyse both the established modes of governance and the legitimating discourses over time as two main elements of economic policy embeddedness. It is necessary to understand the modes of governance because they contextualize discourse, helping to identify the main actors and stakeholders as well as their relative formal power. In its turn, discourse analysis informs us about the traditional values and the dominating concepts of justice. It can also signal either value transformation (and naturalisation of certain concepts as “right”) or continuity. Additionally, the case of the EMU represents the framework on the European level, which is necessary for the analysis. The case studies and their contextualization within the framework of the EMU provide a

base for comparison both between each other and between the national and the European dimensions. This analysis enables the assessment of whether or not the contested realities enjoy equal channels of representation on the EU level. It is also expected that the cases display differences, which are neglected in the institution of the EMU, making compliance and legitimacy lower in some cases than the others. As mentioned above, the imposed implementation of one policy vision, despite the conflict and differences, would further reflect the asymmetric power and the centre-periphery relations among the member states.

### *Structure of this thesis*

This thesis consists of an introduction, seven chapters, and a conclusion. After this introduction, chapter one is intended to provide a brief overview about the main approaches to the European integration phenomenon and to specify the approach adopted in this research. In parallel, the issue of democracy in the EU is discussed there. The chapter proceeds from the classical theories of European integration (part 1.1), which describe the EU in terms of supranational or intergovernmental organization, to more recent approaches, departing from state-centred approaches and attempting to describe its nature with the focus on consistent multiplicity (1.2). The second half of this chapter is focused on the conceptualization of the EU as an empire of a new type, describing its features, modes of governance, and democratic aspects.

In the second chapter, the concept of popular sovereignty is discussed, including its origins, functions, and forms. The main purpose of this chapter is to provide the definitions and explain the links between the central concepts of this thesis – democratic sovereignty, democracy, and legitimacy. It also explains why certain criteria of democracy were identified as crucial on the EU level. Part 2.1 shows different facets of sovereignty and proves the dependence of the meaning of popular sovereignty on the context of its usage. In the part 2.2, the concepts of legitimacy, democracy, and democratic sovereignty are discussed. That part outlines how these concepts relate to one another in a political system. Part 2.3 grasps the understanding of democracy as proceduralized popular sovereignty in the concept of deliberative democracy.

Chapter three presents the methodology implemented in this research. Two case studies and an analysis of the EMU are conducted in this research, whereas each of them is based on two pillars: the context of governance and discourse (both are considered essential for the legitimacy). While the section on context of governance



analyses main actors, their interactions, and the balance of power in the economic policy-making field, it outlines the political context that is important for policy (non-) adaptation. The context is also crucial for a better understanding of the discourse. In its turn, the discourse analysis gives us an idea about the ‘regime of truth’ in two national and the European discourses.

The fourth chapter focuses on the integration within the European Economic and Monetary Union (EMU). First, the challenges to economic policy under conditions of globalization and the overall transformation of this policy field due to globalization are described (4.1). Globalization and liberalization put an immense pressure on the regulative and redistributive policies of a government (Sassen 2008; Rodrik 2011; Held/Koenig-Archibugi 2003). As a result, it also transforms the social relations in a state. It is important to mention here that globalization is as much externally driven as internally, by the domestic actors. Second, the financial dimension of globalization is considered closely as well as the question of why the European states decided to unite in the EMU (4.2). Third, the institutional dimension and the mandate of the EMU are presented briefly (4.3), before the final part of the chapter presents the analysis of the European discourse on EMU (4.4). It is argued that the democratic problem of the EMU lies not only in the lack of accountability of the ECB, its isolation from the development of the real economy and from the socio-economic context but also in its fixing of an agenda in exclusively neoliberal terms, which are claimed to be universally ‘right’.

Chapters five and six are the case studies of Germany (Chapter 5) and of Greece (Chapter 6). These cases are considered as most different cases, which is exemplified in that since the launch of the EMU Germany has been policy “giver”, while Greece has been “receiver”; their previous monetary policy experience is often described as “success” and “failure” correspondingly. Moreover, the two countries differ in their economic structures and, consequently, concepts of economic policy and the degree of intervention by the state. Therefore, these cases possess the potential for conflict and antagonism, grounded in their historical and socio-economic experience. Both case studies regard the conduct of economic policies before the EMU as well as the modes of governance and the dominating discourses within two periods, 1997 to 2000 and 2010 to 2015.

In the seventh chapter, the findings from the case studies are compared and further discussed from a democratic perspective. First, the chapter attempts to com-

pare the discourses, showing the main points of tension. Second, it locates democratic deficit in the power asymmetries. This chapter elaborates on how responsive and contested the discourse on the European level is, and if it is able to ensure sustainable levels of legitimacy in the long term.

Finally, the last chapter presents the main conclusions from the analysis. It attempts to place this thesis within the existing scientific research on the subject, identifying its main contribution and limitations.

## **Chapter 1: Approaches to European integration**

### ***1.1. Supranationalism vs. Intergovernmentalism and the debate on democracy in the EU***

European integration refers to the process of legal harmonization and transfer of certain competencies to supranational institutions completely or partly. Due to its structure and functions, it is not possible to classify the EU either as a nation state or as a classical international organization. On the one hand, usual state structures can be identified as its corpus. But, on the other hand, their functioning is seriously transformed, and a group of supranational institutions appear with their functions, logic, actors, power potential, etc. Consequently, the picture of what a member state exactly is and of scale and depth of integration becomes blurred and hard to interpret.

There are a number of approaches that have been developed for the study of the European integration phenomenon. Generally, they can be divided into supranational and intergovernmental theories, depending on whether or not an approach underlines the importance and potential of supranational institutions or state actors. In the following, some central assumptions of the dominating approaches to the analysis of European integration and some attempts to assess democracy in the EU, based on these approaches, are briefly presented.

The supranational approach supports the argument that the EU authority undermines state sovereignty. According to the literature on European integration, supranationalism is either a common term for neo-functionalism, institutionalism, and other approaches that underline the supranational nature of the EU or it is specifically associated with the work of Alec Stone Sweet and Wayne Sandholz, representing a fusion of mainly two theories – neo-functionalism and the historical institutionalism (see Stone Sweet/Sandholz 1997). In the neo-functionalist tradition, supranational actors are regarded as autonomous and possessing self-interest. Integration starts in certain policy fields, where the resistance would be weaker and increasingly spills over into other policy areas due to the functional linkage (Rosamond 2000). Some policy areas are regarded as rather technical and are easier to integrate because of their low politicisation. The neo-functionalist spillover hypothesis suggests that integration was a linear, progressive phenomenon: once it is launched, the dynamics would be set in place to continue the momentum (Rosamond 2000: 63). Some scholars claim that supranational governance happens not necessarily accompanied by the shift in identification within various interest groups, but rather as supranational authorities acquire

competencies and governing capacities in some policy fields, they also become capable of limiting the space for action of other actors, including the member state governments themselves (Pollack 2003). This argument claims that, especially in the areas where the EU-institutions possess competences, they are able to push their agenda through, despite the resistance from the member states. Moreover, the role of the transnational non-governmental actors, such as interests groups, enterprises, and think tanks, is taken into consideration within supranationalism from the following perspective: they have not only the option to influence their national governments but can also engage with the supranational actors directly (Pollack 2003). Thus, integration process is believed to develop self-dynamic, especially through the path-dependency claim, which originally emerged within the historical institutionalism. According to the path-dependency, an earlier decision strongly influences the later ones, and “once a country or a region has started down a path, the costs of reversal are very high” (Pollack 2003: 140). Postfunctionalism differs from neofunctionalism, as the former foresees backlash of integration to result from the feedback processes rather than a spillover and path-dependence (Schimmelfennig 2018; Hooghe/Marks 2009). The focus of postfunctionalism is placed on politicization of integration and the public discourse, which have capacity to put pressure for less integration. This approach especially drew attention of scholars in the course of the EMU crisis. However, the assessment of the achieved degree of politicization and its outcomes differ significantly among the scholars (compare Börzel/Risse 2018 and Schimmelfennig 2018).

Stone Sweet and Sandholz agree with the argument that the national governments have their own ideas and interests in the integration process but also claim that the latter cannot control the integration anymore, as some processes are put forward by the supranational actors (Nölke 2006: 145ff). Supranationalism implies either pool or (partial) transfer of national sovereignty, understood as state’s independent law-making capacity grounded in the popular authorization, and raises the question of legitimacy of the policies driven by the supranational actors.

According to intergovernmentalism, integration remains an inter-state matter where governments fully control the process and, thus, preserve national sovereignty. The basic assumption of the classic intergovernmentalism (represented among others by Stanley Hoffman) is that European integration is not shaped either by the interests of the transnational elites or by the supranational actors but by the national interests and policies of the national governments, which protect the core of the sovereign pol-

icy-making. This approach describes state as willing to reduce its relative uncertainties and choosing its strategies depending on the historical context (Bieling 2006: 94-98). In these terms, European integration is considered to be just a better-institutionalized form of international relations, which is actually aimed at ‘reproducing’ national sovereignty (Bieling 2006). Therefore, this perspective strongly marginalizes the supranational institutions.

Particularly, the liberal intergovernmentalism associated with the ideas and research of Andrew Moravcsik is interesting in this regard. Moravcsik poses a question in *The Choice for Europe*: why have sovereign governments in Europe repeatedly chosen to coordinate their core economic policies and surrender the sovereign prerogatives within an international institution (Moravcsik 1998: 1)? The liberal intergovernmentalism integrates the idea of international interdependence, which demands integration and “delegation to supranational organizations capable of acting against the short term preferences of governments” (Schimmelfennig 2003: 80). Simultaneously, European integration provides the state executives with institutional and informational resources, which help them to weaken parliamentary control and loosen the grip of powerful domestic interest groups such as trade unions (Schimmelfennig 2003: 81). From this point of view, integration is necessary for strengthening the state. According to Moravcsik, national interests are not defined through geopolitical concerns of a state but rather through the process of domestic preference-bilding in a state. Thus, the relevance of the domestic politics and issue-specific preferences of the domestic interest groups represent the main difference between the classic intergovernmentalism and the one in the liberal interpretation of Moravcsik (Schimmelfennig 2003: 80, see also Pollak/Slominski 2012: 62).

Although Moravcsik does not neglect the other factors that certainly contributed to support for integration, he underlines the primacy of economic interests (see Moravcsik 1998). More specifically, his hypothesis focuses on two reasons that provide support for integration: the commercial interests of the powerful economic producers and the macroeconomic preferences of the ruling governmental coalitions driven from the changing structures of the global economy (Moravcsik 1998: 3). Therefore, economic elites are seen as the key actor in European integration, especially within the established economic organization, representing three biggest sectors – industry, agriculture, and services (Steinhilber 2006: 179).

The relative power of the nation states is reflected in asymmetrical interdependence and is significant for the negotiation process. Moravcsik locates his explanation of integration in series of rational choices made by the national leaders:

“There were important distributional conflicts not just within states but among them. These interstate conflicts were resolved only through hard interstate bargaining. <.> The outcomes reflected the relative power of states – more precisely, patterns of asymmetrical interdependence” (Moravcsik 1998: 3).

Recognizing the need to constrain and control each other, governments opted for increased credibility of commitments through the pooling and delegation of national sovereignty to international institutions (Moravcsik 1998: 9).

Recently, scholars have attempted to update the intergovernmentalist theory including the features of European integration that became especially prominent in the circumstances of the EMU crisis. The new intergovernmentalism is conceptualized as a distinctive phase of European integration since Maastricht where integration is pursued through intensified policy coordination between the member states, and power transfer to the traditional supranational bodies (mainly, the Commission and the Court) is avoided (Bickerton et al. 2015: 704). The authors highlight “an absence of supranational decision-making as typically framed by the Community method”, and that certain behavioural norms, namely deliberation and consensus-seeking, became ordinary operative norms for the EU (Bickerton et al. 2015: 706). It is argued that “preference formation and EU integration are not neatly separated in space and time”, but E integration “has become increasingly shaped by pressures occurring within the processes of preference formation, creating a more dynamic and unstable set of relationships between domestic constituencies, member state governments, and EU policies and institutions” (Bickerton et al. 2015: 707). Additionally, the separation between high and low politics becomes blurred (Bickerton et al. 2015).

Bickerton, Hodson, and Puetter point out the de facto expansion of EU activity despite its formally stable constitutional features (Bickerton et al. 2015: 703). The central thesis of their collective work is that “member states pursue more integration but stubbornly resist further supranationalism” (Bickerton et al. 2015: 705). Attempting to explain this “integration paradox”, the scholars consider the differences in the political economy before and after the Treaty of Maastricht. According to them, different political bargains between competing social forces on the national level resulted in rigid and implacable intergovernmental relations on the European level in the

1950s and 1960s, and the increased intra-European competition led to more defensive positions of the member states in the 1970s. The abandonment of the postwar economic consensus and convergence of the member states' preferences in economic policy aspects in the beginning of the 1990s resulted in the Treaty of Maastricht (Bickerton et al. 2015: 708). The second part of explanation of the "integration paradox" by the new intergovernmentalism recognizes the constraints and challenges faced by the elites, mainly due to the crisis of representative politics (Bickerton et al. 2015: 709ff.). It is argued that the "post-Maastricht political developments, particularly the growing fragmentation of societal interests and the demise of the permissive consensus, have led to an uncoupling of policy-making from national politics which often leaves national elites at odds with the wishes of their domestic constituencies" (Bickerton et al. 2015: 716). Such circumstances pushed the EU towards "executive federalism" and "made governments wary about their involvement in pan-European policy-making" (Bickerton et al. 2015: 710). Therefore, the new intergovernmentalism clearly recognizes the issue of legitimacy. The scholars claim that "de novo bodies" increasingly emerge because the member states, facing the difficulties in terms of public justification and legitimacy, avoid the delegation of authority to traditional supranational institutions such as the Commission and the Court (Bickerton et al. 2015: 716). Generally the new intergovernmentalism points out the growing influence of informal policy-making that allows an escape from "many of the legislative frameworks that characterized supranational lawmaking beyond the nation state" (Bickerton et al. 2015: 717).

Supranationalism is not convincing in the cases where, for instance, a measure was blocked in the Council despite the support for this measure from the side of the Commission and other supranational actors<sup>2</sup>. Neither does supranationalism explain the stop-and-go character of European integration. Intergovernmentalism (both classic and liberal) fails to explain the full dynamics of the integration process because it ignores the development in the first pillar<sup>3</sup>, especially the power of the European Court of Justice (Schimmelfennig 2003: 82). Also, the new intergovernmentalism deserves some criticism. First, although it is true that the European Commission was not signif-

---

<sup>2</sup> This was the case when the Council of Ministers refused to put sanctions on Germany and France for their violations of the Stability and Growth Pact in 2003 that was followed by amendment of the Pact in 2005.

<sup>3</sup> The pillar system was formally dissolved with the Treaty of Lisbon.

icantly empowered as a result of the EMU crisis management, this fact alone does not evidence in favour of the decreasing significance of supranationalism. In other words, the fact that supranational institutions, especially the Commission, have been weakened, does not necessarily mean that the EU as a whole became more intergovernmental (Schimmelfennig 2015: 724). Schimmelfennig points out that the so-called *de novo* bodies generally are not less autonomous than the Commission, and they combine both intergovernmental and supranational features (Schimmelfennig 2015: 724). In fact, it is possible that we are observing a new type of supranationalism where a coalition of supranational actors rather than the Commission alone decide on the policies in all member states. Such a coalition could potentially include both supranational actors (such as the Commission and the ECB) as well as some member state governments (which are simultaneously domestic and European actors).

Second, the claim of the new intergovernmentalism that the intensified policy co-ordination “has been possible because of the deliberative and consensual quality of EU decision-making” (Bickerton et al. 2015: 704) is highly controversial. Bickerton, Hodson, and Puetter further argue “deliberation and consensus-seeking have long been taken to be the behavioural hallmarks of supranationalism, but in the post-Maastricht period they imposed themselves as dominant norms regulating the relations between national actors. We see this in the pre-eminence of the European Council – a deliberative and consensus-building body *par excellence*” (Bickerton et al. 2015: 704). Although the authors do not explain in detail what exactly is understood under “deliberation” in their article, in my opinion, the example of the EMU crisis management over time illustrates a lack of deliberation and consensus-building capacity, mainly due to the existence of stronger and weaker actors or coalitions and asymmetric co-dependency among the member states. In fact, the authors’ claim of a decreasing significance of vetoes and opt-outs since the Maastricht because of the “attachment to deliberation and consensus” (Bickerton et al. 2015: 704-705) seems to be misleading, too, as it might not be due to deliberation but due to asymmetric co-dependency – a veto or an exit come at a higher cost for some actors and, therefore, represent the less attractive option. In reality, deliberation and consensus always co-exist with veto, exit, and exclusion threats throughout the post-Maastricht era (Schimmelfennig 2015: 726).

Moreover, if the authors are right about deliberation and consensus-building as a behavioural preference why then does any aspect of Keynesianism quickly become



a tabu on the European level in the case of the EMU? For example, Schimmelfennig draws attention to the “considerable intergovernmental conflict about the institutional design of monetary union” and “the role that asymmetrical intergovernmental bargaining power played in shaping the institutional design of monetary union (and fiscal policy)” (Schimmelfennig 2015: 728). Therefore, both the formulation of the “integration paradox” and the claim of deliberation as a policy-making preference within the new intergovernmentalism ignore the existing difference across the member states and substantive (ideological) aspects of a concrete policy field. Finally, Schimmelfennig points out that “national executives are differentially constrained by Euro-sceptic publics and parties depending on the country and policy; this has equally differential implications for their institutional preferences and bargaining power at the EU level” (Schimmelfennig 2015: 728).

Concerning the democratic deficit in the EU, this topic is mainly focused on the criteria of accountability and representation. There are a variety of opinions on its existence, location, and the ways of solving it. The definition of democratic deficit really depends on how a scholar understands the European Union, its nature, and its goals.

Summarizing the academic debate on legitimate rule in the European Union in the 1990s, Schimmelfennig pointed out the main dilemma between the requirements of social legitimacy (input legitimacy) and of policy efficiency (output legitimacy) (Schimmelfennig 1996: 6). However, often within the framework of European integration both principles cannot be implemented at the same time. The debate generally has a strong focus on the criteria and features of democracy known from the model of nation state; those authors who consider democratization as desirable also recognize the lack of a common European identity, solidarity, and civil society as the main obstacles to the democratization of the EU (Schimmelfennig 1996: 38).

Schaefer provides an overview of the debate on democratic deficit in the EU by attributing the authors to one of four positions according to two criteria: the real possibility and desirability of democratization of the EU (Schaefer 2006; see table 1).

According to the optimists’ position, democratic deficit in the EU is located mainly in the lack of input legitimacy. The scholars here focus on the necessity and the real possibility of collective search for solutions, including public debate and scrutiny (Karlsson 2001; Schmitter 2000; Calliess 2005).

*Table 1: Approaches to democratic deficit in the EU*

		Democratization possible	
		yes	no
Democratization desirable	yes	optimists	pessimists
	no	apologists	fatalists

Source: Schaefer 2006: 351

For example, democratic deficit on the EU-level is real because the EU undermines democratic processes and interests in the member states (Haltern 2007:136ff). According to Haltern, first, the parliamentarism and legislative power are weakened for the benefit of executive branch of power. Second, the national judicative control is also weakened through the European regime. Third, it undermines substantial political interests when through the majority voting a member state can be subordinated to a majority of the conservative governments, although its people voted for a left government (Haltern 2007: 140). Additionally, the control capacities of the European Parliament in spite of several reforms remain moderate (compared to the other supranational bodies) (Pollak/ Slominski 2012: 182). Especially, during the period of the EMU crisis the European Parliament has been excluded from intergovernmental decision-making when crucial decisions have been made (Wiesner 2016). An attempt to strengthen the parliaments through the Lisbon Treaty has ambiguous results (see for example, Höing 2015; Sotiropoulos 2015). Due to institutional barriers, the negative integration and de-regulation certainly dominate in the EU, creating an asymmetric bias against the positive integration. Moreover, the strength of the ECJ and the European case law extends the gap between negative and positive integration, leading not only to imbalance between the European and national policies but also between social and liberal policy goals (Höpner et al. 2010: 345; see also Fitoussi/Creel 2007; Dyson 2003; Schmidt 2003).

The pessimistic view recognizes the existence of democratic deficit but questions the possibility of democratization, mainly due to lack of common identity that would enable solidarity. Integration within the EU does not re-create the chain of identity-solidarity-democracy on a European level (Schaefer 2006: 354; see also Kielmansegg 1996; Grimm 1995). In fact, empirical research has proven national identity to remain strong and resistant; European identity remains weak compared to national, regional, and local identities (Schaefer 2006: 366).

Apologists consider democratization of the EU on the input side undesirable, as the requirement of passing through all democratic and legitimising channels could damage the effectiveness of policies on the EU level (Schaefer 2006). These authors describe national politics as full of obstacles and blockades, which hinder implementation of necessary reforms. For example, Majone advises against evaluating democratic deficit of the EU according to nation state standards, claiming that non-majoritarian standards would be more suitable in this case (Majone 1998). From his point of view, the delegation to independent regulatory authorities would be sufficiently justified under the conditions in which the assigned tasks are precisely and narrowly defined, and non-majoritarian sources of legitimacy such as expertise, procedural rationality, transparency, and accountability by results are fulfilled (Majone 1998: 28). Andrew Moravcsik generally regards the changes connected to integration as incremental and not touching upon national sovereignty (Moravcsik 2002: 603ff). He lists a row of constraints that integration and EU-institutions must face day-to-day (Moravcsik 2002: 607ff). First, he points out the restricted competencies of the EU by treaties and its focus on the cross-border economic activity. Second, he mentions the lack of fiscal, administrative, and legal authority of the EU as a significant restriction to the expansion of its policies. Third, he outlines certain procedural constraints such as unanimity, multi-level decision-making structure, and plural executive. Moreover, the EU-activities are democratically legitimized through control of integration by the democratic governments. His last argument to this point: “some, finally, maintain that the EU lacks democratic legitimacy not so much because it stifles political participation, but because its policies are biased against particular interests consensually recognized as legitimate” (Moravcsik 2002: 617). Here, he reacts to the criticism of a neo-liberal bias in the EU policy-making by explaining: first, there is little evidence of a race to the bottom concerning the welfare spending because “the level of social welfare provision remains relatively stable” (Moravcsik 2002: 618). Second, even if such a race to the bottom would take place, there is no evidence that it is the EU driving the social protection downward (Moravcsik 2002: 618). These arguments were proved wrong in course of the Euro zone crisis, when implementation of the reform programs demanded by the actors on the European level directly influenced the welfare provisions in the member states affected by these measures. Moravcsik then concludes that additional democratic and legitimizing mechanisms are not only unneces-

sary but even undesired because they would slow down the decision-making and decrease the efficiency (see also Merkel 1999: 45).

Finally, in the perspective of fatalists more participation would not only endanger the efficiency of the EU but also the project of integration as a whole. These authors regard the EU as a concordance democracy based on consensus and negotiations rather than decisions made by majority. Democratic deficit would therefore be existential for the EU (see Schaefer 2006).

The positions of apologists and fatalists obviously ignore the danger of de-democratization of the national political institutions. They often refer to the veto rights of the EU-member governments as an important tool, enabling the control over integration, and legitimacy of the EU derived from democracy within the member states. However, this argument is disputable as on the EU level the decision-making by a simple majority in the Council procedurally would be more democratic. Reacting to Moravcsik's neglect of democratic deficit in the EU, Kohler-Koch, Conzelmann, and Knodt argue that the issue is not about democracy in the EU compared to the member states. It is in the fact that the democratic procedures in the member states are undermined through their involvement in European integration, and that these losses in democratic quality are not absorbed on the EU-level (Kohler-Koch/ Conzelmann/ Knodt 2004: 200). The latter argument is supported by more recent research on the role of national parliaments in the times of Euro-zone crisis (Auel/Hoening 2014). Although with the Lisbon Treaty the control of the national parliaments over integration has been formally strengthened, the decision-making in the circumstances of the Euro-zone crisis in fact undermined the position of the national parliaments (Auel/Hoening 2014; see also Benz 2013). Decrease in power of the national parliaments was accompanied by strengthening of the executive.

Moreover, scholars argue that the normative changes in the institutional design of the EU, such as direct election of the Commission or increase in power of the EP, will not be capable of solving the democratic dilemma. Therefore, these scholars highlight the necessity to search for a non-parliamentary legitimization strategy (Kohler-Koch/ Conzelmann/ Knodt 2004: 224). In other words, the introduced elements of participative democracy on the EU level so far have clearly failed to make the EU more democratic. Despite the growing influence of the European Parliament, citizen participation has remained low. Therefore, the focus of scholars in search for

the forms of democracy suitable for the EU slowly shifts away from the institution of the European Parliament (Schaefer 2006: 364).

Regarding the output legitimacy and the necessity to preserve the capacity of the regulatory institutions to remain efficient through their isolation from the societal pressures, the question must be raised of how should efficiency be defined and measured, if reaching the goals in one policy area limits the chances to succeed in another one. For example, Schaefer demonstrates that the case of unemployment concerns citizens across the member states, but the EU is seen as a threat rather than a problem-solving framework (Schaefer 2006: 369). Majone's focus on the output legitimacy would be correct if it is assumed that policies on the EU level are exclusively Pareto improving (meaning that everyone is better off as a result), with no re-distributional effects (Follesdal/Hix 2006). Follesdal and Hix argue that in praxis it is hard to distinguish between efficient and redistributive policy decisions, as both features can often be observed simultaneously (Follesdal/Hix 2006: 542). A number of the EU regulatory policies have redistributive effects where winners and losers can be identified (Follesdal/Hix 2006: 543). The dynamic of the Euro-zone crisis especially shows how controversial the issue of efficiency actually is. Schaefer argues that:

“Also no-decision that has redistributive effect must be legitimated. The dilemma of the EU is that it does not possess enough legitimacy for the positive integration but the status quo is already beyond distributionally neutral regulation” (Schaefer 2006: 370, translation S.M.).

Follesdal and Hix underline that even the ‘thinnest’ theories on democracy consider both contestation for political leadership and argument over the direction of policy agenda to be essentially important (Follesdal/Hix 2006: 533). Therefore, the authors consider competition for control over political authority as the lowest requirement of popular rule that is yet absent on the EU level.

## ***1.2. The new polity approaches – demoicracy vs. re-conceptualized empire***

### *1.2.1. European demoicracy*

The debate on the requirements and framework for democracy in the EU is closely linked to the understanding of the nature of the EU as a polity. While in the 1990s observers still believed in a possibility of the EU becoming a type of federation in the near future, these expectations started disappearing since the failure of the Constitutional Treaty in two referenda in 2005. Again, scholars were puzzled by the question of how to provide accountability and representation in a multi-level system with diversity and little (or no) perspective of emergency of a strong common European identity. In the current debate, we observe a departure from the state-centric democracy models towards more de-centralized new models of democracy. There is a tendency to conceptualize the EU beyond the concepts of nation state or some type of federation: agonistic pluralism (Mouffe 2008), compound democracy (Fabbrini 2011), transnational democracy (Bohman 2004), directly deliberative polyarchy (Cohen/Sabel 1997; Sabel/Zeitlin 2012), or multilateral democracy (Cheneval 2011). Moreover, there are attempts to conceptualize the EU as a new form of statehood with certain specifics. The following part of this thesis is focused on the concepts of demoicracy and empire, as the latter is central for this research. These concepts have similarities and are both based on the assumption of the EU being a polity of multiple demoi (nations) with multiple identities. Nevertheless, there is also crucial difference between these two concepts, and the reason why one of them has been adopted in this research lies in this difference.

So, the central characteristic of demoicracy is diversity. Nicolaidis defines demoicracy as follows:

“European demoicracy is a Union of peoples, understood both as states and as citizens, who govern together but not as one. It represents a third way against two alternatives which both equate democracy with a single demos: as a demoicracy-in-the-making, the EU is neither a Union of democratic states as ‘sovereignists’ would have it, nor a Union-as-a-democratic state to be as ‘federalists’ would have it. A Union-as-demoicracy should remain an open-ended process of transformation which seeks to accommodate the tensions inherent in the pursuit of radical mutual opening between separate peoples” (Nicolaidis 2012: 254).

While the EU remains “fragmented in terms of collective identity, public spheres and intermediary political structures” (Cheneval/Schimmelfennig 2013: 337), the EU polity should be based on accommodation of differences rather than homogenisation

through harmonization (Nicolaidis 2013: 351). Demoicracy represents a horizontal transfer of sovereignty between the demoi and their representative institutions and, therefore, promotes transnational opening of democratic systems to each other through “sharing, pooling, enmeshing, but not unifying” (Nicolaidis 2012: 252). It stands for constitutional pluralism and constitutional tolerance through mutual recognition of popular sovereignty by peoples (Nicolaidis 2012: 248; Cheneval/Schimmelfennig 2013: 340). Nicolaidis mentions three core norms of demoicracy: transnational non-domination (respect of mutual autonomy), mutual recognition (“referring to the entire realm of social interactions” and based on citizens’ “informed curiosity about the opinions and political lives of their neighbours”), and internal/external consistency. In his later article, Nicolaidis further introduced ten tentative guiding principles for demoicracy: collective autonomy of peoples; safeguards with the goal to protect the equality of peoples as states and eliminate the danger of soft domination of some member states; decisions based on pluralities (preference of non-aggregative, non-majoritarian decision-making); priority status of transnational rights and obligations as well as protection from coercive assimilation; all shared community projects should be based on minimal compatibility and maximal recognition; mediation by national state and non-state institutions for ensuring democratic sustainability; empowerment of lower levels of governance; complementarity of direct accountability on the national level and indirect on the EU level; European and national co-citizenship; and diversity (Nicolaidis 2013).

The concept of demoicracy leaves many questions open. First, Nicolaidis himself mentions that in practice the model would be unstable due to its highly demanding nature (Nicolaidis 2012: 250). How to ensure mutual recognition and tolerance among the peoples, especially under the conditions of economic hardship and inequality? Second, Nicolaidis recognises the difficulty of fulfilling the non-domination criterion:

“And indeed freedom as non-domination in a transnational context calls for practices in the EU which are far from embedded in the political culture of some of the larger Member States, often subject to a pervasive Gulliver syndrome. Instead, we are witness to the fact that the EU can easily become prey to new patterns of what we could call soft domination” (Nicolaidis 2012: 264).

Even if a non-domination principle is formally established, how can one be sure that it is actually implemented in practice over time? Nicolaidis points out that it would be

crucial “for each ‘demos’ to defend itself against domination through various representative, deliberative, and participatory channels” (Nicolaidis 2012: 265). But how do we know that these channels really work? While regarding the national democracies as cornerstone of democracy, the influence of the European level beyond formal aspects of governance is neglected, for instance in the domain of discourse. Democracy strongly depends on the state and ‘health’ of the national democracies (Nicolaidis 2012: 273; Cheneval/Schimmelfennig 2013: 334). How can the democratic quality of the EU be guaranteed if on the EU level there are no instruments of evaluation and enforcement of democracy in the member states? On the other side, granting the EU level such instruments would be against the principles of autonomy and mutual recognition.

Finally, it is questionable how efficient the EU-as-democracy actually is in reaching its policy goals. Nicolaidis recognises the difference in the models of capitalism and state-society relations in the member states but claims that “there is no necessary tension between the preservation of pluralism and a common purpose expressed through common projects (be it a single market or a single currency): the question is how such projects are implemented to respect the plurality of peoples” (Nicolaidis 2012: 258). If the mutual recognition should be preferred to harmonization, it would mean mutual recognition of nineteen national currencies in the case of the common currency project. This would not only be technically difficult, but this project represents the case where harmonization was the only way to achieve the policy goals (see Chapter 4). A member state theoretically has an option to opt out, which is often connected to high economic costs and, finally, depends on the economic power of a state willing to opt out. Moreover, concerning the economic part of the EMU, what originally has been designed according to the principle of mutual recognition due to the lack of consensus turned into harmonization through domination in the course of the Euro zone crisis. The design of the EMU did not emerge from deliberation on the topic but resulted from negotiations behind closed doors. Even in the Euro-zone crisis, deliberation could not take place due to the previously negotiated norms and established power asymmetries. From my point of view, although the concept of democracy provides some useful insights as a normative and a benchmarking concept, it is isolated from the current state of the Union, and there are no reasons to think that it would radically change in the near future. Therefore, it does not provide tools for assessment and potential treatment of the democratic challenges the EU currently faces.



### *1.2.2. Europe as re-conceptualized empire*

The idea of a modernized empire originates from the philosophy of Michel Foucault and was further developed by Michael Hardt and Antonio Negri (see Hardt/Negri 2002). Analyzing the Carolingian Empire, Foucault argued that in terms of internal policy the empire guaranteed freedoms and, unlike monarchy, represented less power and less governmentality (Foucault 2010). Hardt and Negri describe the triple imperative of empire as incorporate, differentiate, and coordinate: including (shows universal inclusion); distinguishing (describes differences as natural but good); and coordinating (represents organizational structure based on difference) (Hardt/Negri 2002: 209). „The linguistic, cultural, and ethnical differences within every operation unit or stratum prove to be stabilizing“ because they limit the issue-specific association of the civil society actors and enable better control over them (Hardt/Negri 2002: 209, translation S.M.).

A part of scientific literature assumes that empire is exclusively “about control by the metropolis of various peripheral actors through formal annexation or various forms of economic and political domination” (Zielonka 2006: 11). Empire is usually understood as a relationship of political control imposed by some political society over the effective sovereignty of another political society (Doyle 1986: 19). But such general definition does not bring to the forefront the quality and scale of control, its mechanism (coercion or incentives), and specific characteristics of the peripheral status. In practice these relationships can be formal or informal, achieved by force, by political collaboration, by economic, social, or cultural dependence etc. (Doyle 1986: 45). Empires combine the aspects of both domestic and international politics and represent less-than-full integration of social interaction and cultural values (Doyle 1986: 36). Similar to democracy, it is more than a union of fully independent states but less than a state (federation).

The later research promoted development and re-conceptualization of empire (Cooper 2002; Posener 2007; Zielonka 2006; Bieling 2010). For example, Robert Cooper analyses the features of the global politics, pointing out the increasing demands for a new type of imperialism that would be compatible with human rights and cosmopolitan values. According to Cooper, the main characteristics of the postmodern world is disappearing distinction between domestic and foreign affairs, mutual interference and surveillance, rejection of force as a means of dispute resolution, and a new security policy concept based on transparency and interdependence (Cooper

2002). Determined by the new global conditions, the framework of empire adopted in this thesis has no historical example, yet shares certain features with the empires known from the history. In this context, empire is not understood as a “superstate projecting its ever greater power all over Europe and beyond” but a polycentric polity, penetrating rather than controlling its environment (Zielonka 2006: 1). A ‘postmodern’ or ‘neomedieval’ understanding of empire is offered here. It is a complex form of rule that governs its peoples by a combination of informal and indirect means, while simultaneously recognizing these peoples as self-governing constitutional states. The interaction among actors within an empire happens on the basis of constitutional equality, yet within the unequal relations of economic, political, and legal power. That is, as Tully put it, “an interactive mode of governance among unequal sovereigns rather than the unilateral domination of formal colonialism” (Tully 2008: 464).

The following part centers around the main characteristics of an empire as a polity and its perspective on European integration. First, an empire has neither a clear power centre nor a hierarchic structure. On the contrary, multi-level and polycentric governance describes its core characteristic where authorities overlap in multiple, functionally specific policy regimes. Further features include divided national sovereignty with no single continent-wide jurisdiction, diversified institutional arrangements with different cross-cutting policy networks operating without a straightforward division of power, and multiple identities (Zielonka 2006: 121). An empire and a nation state can coexist, without necessarily eliminating or substituting each other (Bieling 2010: 223). Cooper defined the EU as a transnational organization:

“The postmodern EU offers a vision of cooperative empire, a common liberty and a common security without the ethnic domination and centralised absolutism to which past empires have been subject, but also without the ethnic exclusiveness that is the hallmark of the nation state – inappropriate in an era without borders and unworkable in regions such as the Balkans” (Cooper 2002).

A uniform internal structure is substituted by multi-layered, multi-centred, and heterogeneous nature of European governance distinguished by socio-cultural diversity, flexible division of power, and competences outlined by negotiations and bargain.

“Depending on the policy area, its borders are often unclear, fluid and variable. Instead of a unitary and nationwide legal and social order it is marked by obvious power and integration asymmetries as well as by pronounced socio-cultural differences“ (Bieling 2012: 176).

In fact, diversity remains to be a persistent feature of the European Union, whether it comes to identities, political cultures, modes of governance, or the overall political context. This diversity is also guaranteed by the member state constitutions and is being protected by the respective constitutional courts. According to the Maastricht judgement of the German Constitutional Court (BVerfG), neither the European Court of Justice (ECJ) nor any other EU-institution has the competence to decide about its own competences. According to the national constitutional courts, the EU-law has an exclusively derived nature and is linked to the national constitutions because the transfer of competences followed on their base (Frenz 2009: 300). Moreover, in the Lisbon judgement, while generally accepting the supremacy of the EU-law, the BVerfG emphasizes that the EU-policies must correspond the constitutional identity and introduces a special mechanism to protect the latter. Consequently, the transfer of certain limited competences to the supranational institutions must proceed under conditions that the sovereign constitutional statehood remains untouched (respecting the principle of conferral and the constitutional identity of each member state), and simultaneously, the member states do not lose their capability to shape political and social conditions autonomously (Streinz 2009: 478). However, in spite of its defensive actions and rhetoric, which still remain rather exceptional among the member states, BVerfG generally accepts the authority of the EU and the ECJ.

There is no universal principle that would allow dividing the competences between the levels of governance. Even the principle of subsidiarity is not universal and is rather a matter of interpretation (for a critical approach to subsidiarity see Wind 2001: 176ff). As an empire does not have a fixed centre, decision-making depends on a coalition of actors, which can vary from issue to issue and can include both national and supranational actors.

Second, both external and internal borders (within the empire) are preserved, but their nature transforms. The external borders become fuzzy and dynamic, co-existing with the soft internal borders between the constituting entities of empire (Bieling 2010).

Third, within a postmodern empire, we describe states as operating under de facto or de jure constrained sovereignty (Zielonka 2006: 14). Although the concept of sovereignty was introduced significantly later, medieval power was shared between territorial authorities and an emperor or pope, which means that the perception of national sovereignty has not been absolute even then (Zielonka 2006: 11).

Fourth, one of the central features of any empire is the ability to influence its peripheries. It is a practice in which asymmetrical influence and power are expressed in a manifested or implicit way (Doyle 1986: 34). As Doyle describes it, “power is a subset of influence” that can be considered as the “ability of the powerful actor to achieve effects that the influenced actor would not choose to have occur” (Doyle 1986: 34). In fact, asymmetric power is the key feature in identifying the centre and periphery in a de-centralized, polycentric polity. Asymmetric power can be defined as the higher capacity of a member state to implement its agenda (partly or completely) compared to another member state (despite postulated equal positions of both). Formally equal member states do not in fact possess the same power potential because they are de facto not seen as equal and, thus, have different influence capacities (Zielonka 2006: 14). For example, the discourse of enlargement illustrates structural asymmetries that are characteristic for an empire:

“The EU was providing decisions and expected compliance and obedience from the applicant states. The Union was providing models and the applicant states were supposed to copy or imitate them. It was offering teaching and training, and the applicant states were expected to socialize and learn. The EU proposals and solutions were to be taken over by virtue of their place of origin and not necessarily by virtue of their substance” (Zielonka 2006: 57).

Fifth, the asymmetric power is rooted in unequal sensitivities and vulnerabilities between the constituents of empire that are determined by significant socio-economic differences which are likely to increase without consistent patterns (Bieling 2010)<sup>4</sup>. In the EU, the initial differences between states and regions on a geographic scale, production, and natural resources are quite significant, making the relation between them rather asymmetric than balanced. Hueglin described it as

“a multi-level system of governance characterised by centre-periphery relations in overlapping concentric circles of power and influence among dominant and dependent member states, among strong and weak regions within member states, and among newly established industrial parks and neglected hinterlands within regions” (Hueglin 2002: 259).

Sixth, the characteristics of periphery and its relationship with the centre are decisive in the description of the postmodern empire. Generally, a network relationship can be recognized between the centre and periphery, which are connected in the

---

<sup>4</sup> Claudia Wiesner supports this argument, focusing on asymmetries and imbalance of power in the EMU, especially under the circumstances of the crisis (see Wiesner 2016).

form of overall social structures (Münkler 2005: 75). Yet the centre or core of empire can never control the decisions and processes in the periphery absolutely and must rely on the local actors. The degree of peripheral autonomy is significantly higher than it was the case in the Middle Ages because the postmodern empire formally recognizes states as sovereign constitutional entities. However, the effective control of the peripheral sovereignty is exercised if enough of the articulation of interests in a peripheral state can be influenced because the aggregation of coalitions will then be controlled, and if aggregation is thoroughly shaped, sovereign decisions will be controlled (Doyle 1986: 37). In any case, the output of imperial administration is essential for both the centre and its periphery, especially taking into consideration the democratic nature of the imperial constituents. As population is constantly able to judge the policy outcomes, democratic empires are less capable to go through the long periods when the imperial politics brings more burden than benefits. Münkler argues that this aspect creates a stronger pressure for an indirect exploitation (Münkler 2005: 240).

Finally, communication and discourse are of a great importance for sustaining empire (Münkler 2005; Tully 2008; Doyle 1986). Coercion and hierarchy fail as instruments to provide the compliance within a postmodern empire. In a flexible political system compliance can only be reached through persuasion. Moreover, an empire communicates its own description, declares its 'mission', and exercises its influence through discursive articulation. It represents the mechanism through which "collaborators begin to accept metropolitan values" (Doyle 1986: 42). For instance, promises of freedom or prosperity have been given as rationalization of an empire quite often throughout history (Münkler 2005: 157,128).

From my point of view, the empire approach accurately describes the main features of the EU status quo. It recognizes diversity and multiplicity of identities as well as the necessity of the EU to remain a de-centralized polity. As the previous attempts of centralization and constitutionalisation have failed and currently face resistance, a complex governance structure of the EU is likely to remain. Moreover, the concept of empire raises an important issue of asymmetry in the relations between the member states. As Schmidt fairly noticed, "while intergovernmentalists and supranationalists differ over whether the key actors are unitary or multiple, imposing or imposed upon, constraining or constrained, they both tend to assume that their generalizations apply uniformly across the member states" (Schmidt 2006: 224). On the contrary, the empire concept emphasizes the existing difference among the EU member

states, which implies different results of integration. From my point of view, the concept of empire is especially useful, as it enables the comparison within the EU and presents an alternative to both the ‘sui generis’ thesis as well as the nation state thinking.

Nevertheless, the concept of empire leaves important questions open. How can domination and asymmetric power be proved in the case of the EU? What is the mechanism of domination, and how is an empire capable of penetrating its environment? An empire as a de-centralized polity recognizes the sovereignty of its elements and people. What are the implications that this recognition has on democracy and legitimacy? To what extent is the sovereignty of periphery undermined through the power asymmetries in a concrete policy field? If able to provide answers to these questions, this research can contribute to the debate or even provide a different perspective on the democratic deficit in the EU.

#### *1.2.2.1. Empire and modes of governance*

The concept of empire emphasizes the transformation of statehood and policy-making within the member states, embracing all three dimensions – polity, politics, and policy. The transformation within the polity dimension has been discussed in the previous part, and it inevitably influences the aspects of politics dimension and modes of governance. It includes the whole of institutional and group relations, which constitute a part of democratic process (when considered legitimate) and have distinctive features within each member state. A mode of governance provides a framework of direct or indirect communication between the main actors, balancing their interests and legitimating the final policy decisions. Empire does not substitute the modes of governance in the member states but rather introduces additional, flexible, and effective framework of policy-making and implementation in order to reach the targeted degrees of policy homogeneity and diversity. It is important to point out that the convergence of policy goals, guidelines, or principles does not lead to convergence in the modes of governance among the member states.

In the literature, the transformation of the framework within which politics takes place, and policies are adopted is described in terms of government versus governance (Treib et al. 2007) or positive state versus regulatory state (Majone 1997). The latter differentiation does not contradict the former but rather has a stronger focus on the macroeconomic function of a state. These are theoretical models that are in-

tended to emphasize the distinctive features. Although it is not possible to equalize a nation state with any specific framework, it is argued here that the changes in the member states of the EU in the direction of the regulatory state are linked to or at least enforced through their membership, as the polity of empire lacks initiatives and instruments for government or the positive state. Therefore, the EU level is characterized by its specific mode of governance, shifting from pluralism, corporatism, and statism towards more flexible network governance.

The concept of government is characterized by a hierarchic structure where parliament is usually the central locus of authority, although community and associations are involved in the policy-making, and bureaucracy carries the function of policy implementation within the public administration (Treib et al. 2007). Therefore, government is distinguished by a stronger command and control, presuming a stronger role of state in society and domination of public actors. Government is more institutionalized and indicates rigid approach, binding decision-making, strong enforceability, and hard legal revision (Treib et al. 2007). The main modes of governance in this case are statism, pluralism, and corporatism (Treib et al. 2007). While corporatism has a consensus-oriented and inclusive essence, statism excludes societal interests from the policy-making. In its turn both statism and pluralism are defined by antagonistic interaction between state and societal interests, “which enhances politicisation and discourages mutual trust and co-operation” (Pagoulatos 2002: 202). In the macroeconomic policy, the government concept is associated with the positive state that includes redistributive and macroeconomic stabilization functions (Majone 1997). Macroeconomic stabilization aims to achieve and sustain the satisfactory levels of economic growth and employment through the instruments of fiscal and monetary policy combined with labour market and industrial policy (Majone 1997: 141). The characteristic features of the government model slowly emerged in the member states throughout their history and anchored after the World War II. It is less flexible, time-consuming, and might lead to decision-making deadlocks but legitimizes policies and is recognized as a fair political framework by the domestic actors.

On the contrary, governance in the narrow sense is defined as “types of political steering in which non-hierarchical modes of guidance, such as persuasion and negotiation, are employed, and/or public and private actors are engaged in policy formulation” (Heritier 2001:2). Governance is closer in its structure to a market than to a hierarchy because it is based on coordination, information, deliberation, and persua-

sion in the circumstances of dispersed authority and domination of the private actors (Treib et al. 2007). It represents a weaker role of state in a society, whereas expert networks gain on influence (Treib et al. 2007). The end-results of policy-making take form of revisable, soft law, and open-textured norms with flexible implementation and weak enforceability (Treib et al. 2007). The new modes of governance as “modes of public policy-making which include private actors and/or public policy-making by public actors occurring outside legislative arenas, and which focus on delimited sectoral or functional areas” (Heritier/ Lehmkuhl 2011: 126) reflect the characteristics mentioned above. The open methods of coordination, standard setting by industry, comitology, independent regulatory agencies, tripartite decision-making, and private dispute resolution are all attributed to the new modes of governance. Although the network governance in the EU co-exists with the other modes of governance (Eising/Kohler-Koch 2002: 272), the EU itself represents a network where European and national actors interact. The network governance is identified through policy networks as “autonomous interaction of multiple interdependent action units of organizations or individuals, horizontal, informal, decentralized relations, and lack of central steering by the state” (Pagoulatos 2002: 190).

The new modes of governance are associated with the regulatory state that “implies a shift from a model in which government plays a strong role in the provision of public services to a model in which government limits itself to being the enabler and regulator of the provision of public services by private actors” (Heritier/ Lehmkuhl 2008: 13). The governance model is, thus, more flexible and is better suited to a large heterogeneous polity, such as an empire. It also claims to be more effective and resistant to specific interests, as it is rooted in ‘science’ and ‘expertise’. In some policy fields of the EU, the new modes of governance are seen as more important than in the others (Heritier 2001). For example, they dominate the economic and social policies on the EU-level where the Commission identifies the “best practices” for a policy issue, which should be introduced in those member states with “different practices”.

Generally, through their involvement in European integration, member states are being pushed to modernisation, meaning de-centralization and the governance approach. However, as the member states differ in their (historically established) dominating modes of governance, they go through different adjustment processes. Schmidt argues that all modes of governance can be presented on a scale where statism and



network governance would be the two extremes (Schmidt 2002). Hence, for domestic actors from the states with the corporatist tradition, it is easier to adapt to the network governance of the EU, securing their involvement in the EU decision-making. On the contrary, in the countries with the statist tradition, as the societal actors have been constantly cut off from the decision-making process, the adaptation to the network governance is uneasy and requires a longer period of time (Schmidt 2002). As a result, states with the fewer adjustment costs are generally strengthened because they implemented reforms earlier and already have elements of the ‘correct governance model’. On the other hand, the states with little or no experience of de-centralized governance and traditionally stronger role of government face both an enormous adjustment and competition pressures at the same time (Schmidt 2002). While corporatist states faster adapt to the European modes of governance, the more statist states, oppositely, often strengthen statist elements being under pressure of reforms. Moreover, Hueglin argues that some governments are more vigorously pressing for the regulatory Europeanization than the others because they not only expect benefits for their economy but also get stronger autonomy from the powerful domestic groups such as trade unions and regional representation (like Länder in Germany) (Hueglin 2002: 261).

Scholars point out a number of other difficulties concerning the network governance and the new modes of governance. It is questionable if network governance is legitimate, and if it can be democratic at all (see Follesdal 2011). For example, the legislation resulting from the new modes of governance is usually formulated broadly enough to leave sufficient space for the member states to decide about how exactly its norms should be enforced. Therefore, one can argue that there is no need for additional channels of democratic legitimation in this case, as the new modes of government combine “centrally agreed targets with decentralized implementation that allows for economic and political variegation” (Jessop 2014: 251). The product of the new modes of governance is a soft law, which is legally binding but does not have direct application. Yet a soft law can pre-determine the policy-making, too, especially through discourse promoted by epistemic communities, which are not ideologically neutral. Moreover, the policy-making is being taken beyond the general public without the involvement of parliamentary representatives. These modes of governance “lack equal representation as well as powerful control competences and are not open to agonistic debates through which different viewpoints can be made transparent”

(Borras/ Conzelmann 2007: 545). It is especially contradictory in a market-driven environment when policy decisions have redistributive consequences, unavoidably creating (relative) winners and losers. While, for example, the open methods of coordination are commonly employed in employment, social, health, and gender policies, “labour organizations were weakened through neoliberalism and decisions of the European Court of Justice, it proved harder to defend citizenship and welfare rights through this method of governance” (Jessop 2014: 251).

Several authors have analysed how inclusive governance really is. As Smismans argues, “more horizontal and heterarchical governance does not mean automatically more participatory governance in terms of involving civil society actors and all stakeholders” (Smismans 2008: 874). Caporaso and Wittenbrink conclude, “despite considerable promises, the new modes of governance have not delivered a substantial increase in the meaningful participation of social actors” (Caporaso/ Wittenbrink 2006: 474). Also, private actors are concerned by the selective involvement of private actors in the policy formulation, advocating regulation in order to provide balance in participation (Heritier 2001: 18). Moreover, there is danger of unfair control over agendas, as “labour unions, consumer groups and social movements in particular, will be able to exert influence within their specialised policy committees but hardly over the Community agenda as a whole”, unlike the large corporate interests that have the capacity to be present at all stages and levels of decision making (Hueglin 2002: 260). A ‘modernisation coalition’, composed of ‘policy entrepreneurs’ in the Commission, managers of multinational corporations, and the governments of economically strong member states are able to set and control the agenda because the numerous functional networks are hard to oversee (Hueglin 2002: 260).

In my opinion, the combination of the aspects of empire and the new modes of governance reveals serious implications for political inclusion and democracy. The EU recognizes its member states as sovereign, meaning that the final source of legitimacy is located on the member state level, in the domestic political process where traditional modes of governance dominate. The recognition of the member states’ sovereignty formally eliminates the need for both legitimation of European policies and inclusion of social partners on the EU level. On the other hand, introduction of the new modes of governance represents a mechanism of domination and channelizes asymmetries in power, especially through the control over discourse. The new modes of governance and the policy discourse on the EU level reflect integration bias to-

wards negative integration. They create the environment of exclusive deliberation, which does not represent an open debate, and claim its decisions to be based on the only true facts, expertise, or in other words, universal and absolute knowledge. Can any individual, organisation or any group possibly possess this kind of knowledge at all? This approach on the EU level disregards the necessity to balance power and interests in the conditions of social conflict.

Michel Foucault's ideas are focused on the relations of power, discourse, and the construction of the subject. In his early work, Foucault insisted that, at any given time, there is an order of things that makes the social functioning of that time possible. While operating within the fundamental codes of culture (in language, perception, values, etc.), this order establishes the premise on which knowledge and theory become possible; certain ideas, perceptions, values, and distinctions *can appear* (Schrift 2010). Foucault's philosophy encourages study of truth claims "for their production of social and cultural (and political) effects and thereby for their inductions of regular effects of power" (Sondergaard 2002). Similarly, Derrida called for deconstruction of a text with the aim of revealing values and interests concealed in it (Agger 1991: 113).

According to Foucault, discourse is a channel for objectification of technologies of power such as knowledge, discipline, and punishment which are in fact present in the everyday lives of any citizen but are not obvious (Foucault 2008: 1019). Therefore, discourse makes implementation of technologies of power possible. It produces the domain of the object and the subject. O'Leary argues that "this production constitutes what Foucault calls the "power of affirmation" of discourse: its capacity to generate objects about which one can then produce true or false propositions" (O'Leary 2010: 77). Also, subjects emerge through and within the discursive power, whereas "subjection" means the process of becoming subordinated by power as well as the process of becoming a subject (Sondergaard 2002). Moreover, power-knowledge relations do not only produce the subject but also provide "the very condition of its existence and the trajectory of its desire", acting on it at least in two ways: "first, as what makes the subject possible, the condition of its possibility and its formative occasion, and second, as what is taken up and reiterated in the subject's "own" acting" (Sondergaard 2002). In *Discipline and Punish*, Foucault insists on the necessity to consider the close relation between discourse and forms of power: "there is no power relation without the correlative constitution of a field of knowledge, nor any knowledge that

does not presuppose and constitute at the same time power relations” (Foucault 2014: 39, translation S.M.). According to O’Leary’s interpretation, “it is these newly defined power-knowledge relations, rather than the individual knowing subject, that determine both the forms and the domains of knowledge” (O’Leary 2010: 78). A concrete discourse in Foucault’s understanding represents power-knowledge regime or regime of truth: “ ‘Truth’ is linked in a circular relation with systems of power which produce and sustain it, and to effects of power which it induces and which extend it” (Foucault 1980: 133). Therefore, power relations create the truth, and the truth creates power effects.

“Each society has its regime of truth, its ‘general politics’ of truth: that is, the types of discourse which it accepts and makes function as true; the mechanisms and instances which enable one to distinguish true and false statements, the means by which each is sanctioned; the techniques and procedures accorded value in the acquisition of truth; the status of those who are charged with saying what counts as true” (Foucault 1980: 131).

Discourse (regime of truth) is produced by the exclusion of other discourses deemed unacceptable, by an internal mechanism for identifying truth, by employment and appropriation, as well as by constraint through selection of qualified speakers (Love 1989: 279-280). Political space is structured, and identities and social categories are constructed in the processes of exclusion (Sondergaard 2002: 188).

Through discourse, an empire penetrates and shapes the reality. Domination through discourse is possible, and it has democratic implications. For instance, the description of the ‘best practices’ and the policy recommendations following them increase the pressure on the member states that have not yet applied those practices. These pressures entirely ignore the domestic context of preference building and the existing domestic consensus among the actors – the very aspects that are meant to legitimize both domestic and European policies. Moreover, discursive separation between the member states with good and bad practices alone implies the existence of asymmetries.

While controlling the discourse, an empire indirectly promotes the redefinition of a state through its policies. If agenda is set on the EU-level, but the formal inclusion requirement remains obligatory on the national level only, some interests recognised as legitimate on the national level can be left with no regard on the EU-level. From the democratic perspective it is especially alarming if economically stronger actors simultaneously oppose the excluded interests. The former usually have

large resources and networks at their disposal and ultimately benefit from stronger presence in the ‘behind closed doors’ negotiation process.

#### *1.2.2.2. The empire perspective and democratic deficit of the EMU*

From my point of view, divergence and asymmetry between the member states of the EMU should be emphasized because these aspects did not only determine the development of integration in this policy field in the past but also strongly influence its present and future. The roots of asymmetric relation in the case of the EMU lie in different economic conditions, different policy models, and legitimation (socio-economic embedding of economic and monetary policies), as well as the structures of the EMU themselves.

The EMU is part of a polycentric governance structure where the member states, the Ecofin, the Commission, and the European Central Bank (ECB) share the authority. There is no clear central decision maker in the EMU, and the provisions of the treaty aimed at dividing power were especially watered down during the Euro zone crisis. Economic part of the EMU formally almost fully belongs to the prerogatives of each member state government. Nevertheless, the Commission as part of a wider network and of an epistemic community promotes a paradigm of the ‘best’ economic policy. The monetary part is attributed to the ECB, but the Council has some competencies in the definition of exchange rate policies. There is neither a common government that would be responsible for the economic welfare, a parliament nor an established cooperation of the societal groups on the basis of a long-term consensus. The membership in the EMU is voluntary, but it is certainly influenced by the conditions of the global economy (see Chapter 4).

Regarding specifically the institution and the mandate of the ECB, there is differentiation between the functional independence and democratic responsibility of a central bank within the monetarist paradigm. A central bank should be independent from any political pressure in choosing and implementing its strategy, but it should carry responsibility for the choice of an objective on which it develops its strategy. Although it is often compared to the German Bundesbank before the monetary integration, the independence of the ECB goes even further, as it is not an object of parliamentary control, and it is based on an international treaty – a legal basis considerably harder to reform (Andersen 2004: 233; Scharpf 2012: 19ff). However, the ECB declared the wish to become “the most transparent and accountable central bank in the

world” (Issing 1999: 505). As it has a clear goal of price stability, which can be monitored, regularly provides reports to the European Parliament (EP), and holds press conferences after each meeting of the Governing Council, providing good reasoning, some might see the necessary legitimacy requirements fulfilled (see Majone 1998). Yet, for example, meetings of the ECB-Council take place behind the closed doors, and their protocols are not published. In fact, questions of transparency and responsibility play a minor role for the ECB when compared to credibility as its main goal. Its model of transparency and accountability is characterized by an extensive but unilateral communication (Jabko 2009: 400). Such radical independence and even closure are justified by the ECB with the argument that monetary policy must be isolated from the pressure of the national governments, interest groups, and the public. This argument is not convincing, as the interest groups are usually still able to get the information they need concerning the work of the ECB’s board, and the latter has other tools to protect itself from the pressures of the national governments (Heine/Herr 2004: 56). On the contrary, in spite of a number of good reasons presented in the scientific literature in favour of the parliamentary overview (Eichengreen 2010: 42; Fitoussi/Creel 2007: 212; Jabko 2009: 395; Heine/Herr 2004: 56f), the citizens or their representatives in the parliaments do not have any mechanisms to influence or draw any members of the ECB to responsibility in the case of poor performance and wrong decisions of the central bank (Forder 2004; Brown 2010).

The conditions and form of economic and monetary policy in different member states were different when the EMU was first launched. Economic policy has been basically reduced to the nominal convergence and the Stability and Growth Pact (SGP) criteria because the consensus on a common economic policy was not reached. Thus, the structures of the EMU ignore the problem of unequal sensitivities and vulnerabilities among its members. This unequal dynamic has proven to be persistent and has not found a resolution. As economic cycles of the member states’ economies remain unsynchronized and there is only one central bank in the EMU, which defines the interest rates for all its members, such an interest rate is usually suboptimal for everyone (De Grauwe 2013). Moreover, the costs of the ‘one-size-fits-all’ policy can be uneven (Tsoukalis 2003: 341ff). Although the ECB-Council seems to be quite homogenous, without significant conflicts or internal alliances, there is some evidence

against this assumption<sup>5</sup>. The divergence in credit cycles is exemplary: credit booms and bubbles were generated in some countries (Ireland, Greece, Spain) due to the low real interest rates, whereas constraints and relatively low growth due to higher real interest rates – in the others (Benelux, Germany, France). Simultaneously,

“persisting inflation differentials and differentials in productivity growth led to changes in relative unit labour costs and ‘real’ exchange-rate changes inside the euro area. Firms in some states, notably Ireland, Portugal, Greece, Spain, and Italy, became less competitive and their current account deficits widened. In contrast, Germany, Austria, Finland, and Belgium gained competitiveness” (Dyson 2009: 39).

The Northern EMU members opted for the policies of relative suppression of the domestic demand through wage restraint and balanced budgets, generating external trade surplus (Overbeek 2012: 230). The latter in its turn fed capital exports from the Northern countries, both reinforcing the transnationalization of industrial capital and injecting speculative capital into the Southern periphery (for example, the case of construction sector) (Overbeek 2012: 230). On the contrary, the Southern members generated increasing public and private debt. Their decreasing competitiveness, finally, pushes them towards continuous internal devaluation “with rapidly rising social inequality, political risks and rising authoritarianism” (Overbeek 2012: 230). Thus, as a result of an asymmetric development, central countries gained in competitiveness while the periphery lost it (De Grauwe 2013).

Before the EMU, monetary policy was embedded in certain socio-economic structures and modes of governance, which diverge across the member states or groups of member states. As economic and monetary policies have significant redistributive consequences and require strong legitimacy, they must be embedded in the state-society relations described in terms of modes of governance. Such embedding is enforced by inclusion, communication for coordination of actions, exchange of information, and policy feedback. In this case, both economic and monetary policies are defined and implemented in the context of a political system, consisting of such central and regional state institutions as parliament, government, judiciary, and central bank together with societal organizations such as industrial, business associations, and employee organizations. Corporatism, statism, and pluralism are characterized by different degree of centralization and cooperation between the actors in policy definition

---

<sup>5</sup> For example, the resignations of Axel Weber and Jens Weidmann, both of whom held the position of president of the German Federal Bank at different times, followed a period of conflict within the ECB Council and an open disagreement with the ECB’s policy.

as well as different patterns of communication, while the central bank might have a different status and fulfil a different role according to its mandate and political context. Different patterns of institutional embeddedness across the member states are problematic in two regards – first, due to different adjustment costs, and second, because the EMU itself is not embedded in a political system with a clear framework for inclusion of the organized interests into decision-making.

Depending on the previous experience, it might be easier or harder for the domestic actors to adjust to the European modes of governance. In those cases where the adjustment does not happen easily, the previous mode of governance persists, making the issue of legitimacy very acute. The EMU resulted from negotiations and concessions among the governments that did not include the representatives of various socio-economic groups. Thus, it was decoupled from the socio-economic context within the member states, which previously have provided a ground for the national and societal interest definitions. Moreover, the EMU is not able to guarantee the implementation of regional preferences and, simultaneously, isolates itself from the rest of the political system, especially from the functional representation of the organized interests. European integration strengthened some member states and multinational corporations without the employee representation that would be able to balance the interests. This asymmetry does not provide conditions for solidarity and does not motivate the actors for long-term oriented consensual policies. In order to be both effective and legitimate, monetary policy must be embedded in the socio-economic structures of community where inclusion of all macroeconomic actors and authorities is provided. Yet both the terms of the EMU and its activity are neither consensual nor based on a direct authorization.

Generally, the requirement of democratic quality should be measured by answering the question of how far the citizens are affected by the decisions on the EU level (see Scharpf 2010; Schmidt 2003, Wimmel 2014). The European Economic and Monetary Union changes the overall conditions for economic policy, and it has implications for a wide range of other policy fields whereas some of them are outside of the EU competencies. The EMU as the guardian of stability puts constraints on the fiscal, social, labour, and wage policies (Dyson 2003: 466ff). The EMU is based on internationally negotiated treaty, establishing a market-oriented regulatory regime. Therefore, its actors “may succeed in disciplining domestic fiscal policy into compliance with overall monetary stability objectives, even when this runs counter to do-



mestic objectives of economic competitiveness and social stability” (Hueglin 2002: 263). The core of empire sets the rules of how exactly a member state must adjust itself to the global competition. These rules are described exceptionally in terms of market efficiency, discipline, and sound money. The EMU defines the ideological base of consensus, the principles, and goals within which policies are framed, and neither its actions nor the concept of the EMU itself is open for deliberation.

Schmidt fairly points out that some member states face greater challenges “to traditional conceptions of economic order and social justice” as well as political representation and participation (Schmidt 2003: 206-207). The central question here is whether the strong focus on the macroeconomic discipline and the neo-liberal paradigm of the ECB are compliant with the national economic policy models (Dyson 2003: 472). Underhill poses a fair question: “does the stability culture deliver results in line with the expectations – diverse across national political economies – of the citizens of the new Europe, still intimately engaged in national-level democratic processes and identities with contrasting dynamics” (Underhill 2002: 48). It would be crucial to ask why or for whom the monetary policy is being conducted (instead of how to conduct it) because the monetarist paradigm and its instruments are contested (Begg 2009: 367). Even if economic and monetary policies within the EMU would serve a clearly identifiable public interest (that is not the case), there would still be need for some degree of involvement and coordination between the governmental and societal actors. The alienation of monetary and economic policy from the political process implies serious democratic risks “if the core of economic policy is seen to be remote from, and untouched by processes of electoral competition” (Dyson 2002: 353). When the unrestrained pursuit of economic and legal integration does not correspond with the perceptions of the citizens, the legitimacy of any national government would be weakened, and the EU legitimacy would be endangered (Scharpf 2010: 311). In the case of the EU, it is not only national governments that should ensure the voluntary compliance of the citizens, but the EU norms are strongly dependent on the compliance of the member state governments as well.

## **Chapter 2: Sovereignty, Legitimacy, and Democracy**

### ***2.1. Popular sovereignty: history, functions, features, and criticism***

It is not an easy task to define sovereignty, as its meaning has many facets and strongly depends on the context in which the term is used. Moreover, it has often been instrumentalized in politics and adjusted to the discursive strategy of the speaker (see Oeter 1997: 34ff), making it an ambiguous and contested term (Newman 1996: 5). National and European actors discursively refer to sovereignty for both opposing and supporting the integration project, especially in the context of European integration (Saurugger 2012). In order to shed some light on this concept, it is necessary to provide a definition and point out those facets of sovereignty, which are of the main importance for this thesis. This chapter begins with explanation of the origins of popular sovereignty and its relation to legitimacy and democracy. It then moves to the idea and essence of democratic sovereignty.

To the features of popular sovereignty belong its imaginative nature that is meant to bring certain coherency to the theory and empirics of state (Badie 2002: 9). Thus, the whole national law is considered to be an expression of the sovereign will or, in other words, an interest based on certain values, representing the criterion of law and justice. Because a state is a dynamic system, and an agreement made once cannot include the solutions for all possible scenarios and challenges that a state and its population might face, there should always be some power competent to make the final decision (Kahn 2011). According to the concept of sovereignty, such power or authority possesses the capacity to act beyond the law (Kahn 2011).

Understanding the circumstances of the period in history when the concept of popular sovereignty originated, its reason, and function help us to further define a few more aspects of sovereignty. This concept first appeared and was essentially developed in Europe between the 16<sup>th</sup> and 18<sup>th</sup> centuries. The circumstances of that time – bloody religious and civil wars as well as dynastic conflicts – determined and strongly influenced this concept because its idea is inseparable from the experience and challenges which states and society had to face at that time. Especially, the emergence of the concept has its roots in the sacramental foundations of law and Western Christian dogmatic understanding of power (Zartaloudis 2010; Kantorowicz 1990; Haltern 2007). On this basis, the religious terms and praxis had been introduced and integrated into political life during the early ages of formation of the modern system of state and constitutional law (Haltern 2007). The Protestant belief that each individual could

interpret the Bible for herself simultaneously allowed individual interpretation of the ethical truth and challenged the stable position of the Church in the period from 1517 to 1650 (Havercroft 2011: 97). Consequently, the authority of the Church had been delegitimized as the Church has insisted on possessing the competence to provide criteria by which ethical principles were judged for the whole period before the Reformation (Havercroft 2011). A series of wars followed the elimination of a clear arbiter for ethical disputes and consequently “led to the demise of the political power of the Pope and the Holy Roman Empire, and the consolidation of political power in the hands of monarchs” (Havercroft 2011: 97, 55). The autonomy of the monarchy from papacy is interpreted here as secular sovereignty. Furthermore, “the roots of origin of the modern nation state as a certain organizational logic followed from secular authority, constitutionalized form and territoriality in development of certain type of political economy in Europe” (Sassen 2008: 59, translation S.M.). The claims to national identity and loyalty made the creation of a vague term of sovereignty or, much later, of popular sovereignty possible. This is quite contradictory, considering that the purpose of a revolution was the destruction of the state type based on the grace of God, and actually the divine source of authority was simply substituted by a secularized founding myth of a nation (Sassen 2008: 46-47).

Concerning the reason and purpose of sovereignty, the ideas of social contract and sovereignty emerged as a response to weak social and political institutions, which had been challenged by the widespread distribution of scepticism in the intellectual circles of that time (Havercroft 2011: 53). Different philosophers tried to answer the question of how a state should be organized in order to be capable of absorbing the sceptical arguments with their de-stabilizing potential and of creating coherency, guaranteeing a long-term stability and social peace (Havercroft 2011). Inspired by the previous history of religious authority being their strongly dominating experience, they claimed sovereignty as the absolute power of a monarch and a strong hierarchic structure to be the existential features of a stable political order capable to provide certainty and finality.

“In organized society, Hobbes saw that basic disagreements and conflicts arose over defining what is secular and what is religious, and over what is good and right. Individual right reason is not adequate to settle the problems, since there is no indubitable or satisfactory criterion for determining whose right reason to accept. But, to prevent the social disintegration that would ensue, political authority has to determine what is true in religion and morals. The bizarre and authoritarian

theory of truth spills over into scientific, mathematical, and logical questions as long as there are disagreements and social consequences of views in these areas” (Popkin 2003: 205).

So, a sceptical challenge can be perceived as a political problem because it represents doubt about the validity of some political judgements and their criteria, causing the fragmentation of political space (Havercroft 2011: 10). In fact, if the sceptical arguments in the ancient world targeted the writings of stoic philosophers, between the 16<sup>th</sup> and 17<sup>th</sup> centuries, sceptical arguments came out against the truth claims in the areas of epistemology, morality, and religion – against the very philosophical foundations of the political and social order (Havercroft 2011: 58). Thus, according to this logic, one of the main functions of sovereignty would be to provide a political resolution to the sceptical moral arguments by determining what is right and wrong through its law-making capacity (Havercroft 2011: 7).

The concept of sovereignty went through a significant transformation along the European political philosophy, especially in the time of struggles for democratization. Indeed, depending on interpretation, this concept obtains authoritarian features as easily as democratic ones. Although the analysis within this research is based on the radically democratic idea of sovereignty, which will be considered in depth later in this chapter, it is useful to briefly provide some examples of its alternative interpretation. Starting with the earliest historic concepts of sovereignty in the 16<sup>th</sup> century, Jean Bodin (1530-1596) defined sovereignty as the highest and the most absolute authority above citizens and inferiors; he concentrated mainly on the legislative power. According to his view, the absolute monopoly on decision-making is the central characteristic of a sovereign. Bodin strongly supported the absolute monarchy as the best type of political administration, which grants long-term peace in a state. However, he also considered a state to be a dynamic, implying the necessity of adjustment to the changing circumstances (Stammen et al. 2007: 85).

Thereafter, a group of scholars who focused on individual interests and welfare appeared, such as Thomas Hobbes (1588-1679). Unlike Bodin, Hobbes considered in his writings all three branches of power that are present in the modern state. The state of nature was described as chaotic and dominated by the aggressive human nature because naturally every man has the right to everything – the situation, which inevitably leads people to the condition of permanent war (Hobbes 2007: 86-87). A covenant based on the contract between its subjects creates an artificial or unified per-

son, authorizing a state and a sovereign to act on their behalf (Hobbes 2007: 107ff). Consequently, the sovereign becomes the main actor who acts on behalf of the original decision-makers but is not accountable to anyone, exclusively representing the interest of the statehood (Havercroft 2011: 70). Hobbes concluded that the ethical principles must be imposed upon individuals through the power of the sovereign in order to guarantee the enforcement of the moral and political principles (Havercroft 2011: 79, 98). Later the liberal philosophy broadly used and built upon the ideas of Thomas Hobbes. For instance, John Locke (1632-1704), Charles-Louis Montesquieu (1689-1755), and John Stuart Mill (1806-1873) integrated one or more elements of the Hobbes' theory into their own works.

On the other hand, Jean-Jacques Rousseau (1712-1778) introduced his vision of a radical popular sovereignty embedded in the community interest. Rousseau expanded the vocabulary of sovereignty to include the concept of general will (Havercroft 2011: 143). In Rousseau's understanding, a transcendent general will locates the internal legitimacy and principles of the social contract in certain institutions, creating the foundation for a people to become a people (Zartaloudis 2010: 116). Taking into consideration the distinction of constituent and constituted powers, the notions of general will and popular sovereignty can be characterized as indistinct (Zartaloudis 2010: 116).

Again, the renewed understanding of sovereignty in the absolute meaning appeared in Germany at the beginning of the 20<sup>th</sup> century, and it is associated with the name of Carl Schmitt (1888-1985). The central concern of Schmitt was the conflicting social reality rooted in incompatible ideologies (Ingram 2010). He defined sovereignty through the idea of exception and the sacred experience: a sovereign is above the law and people, it is the sovereign who decides on the exception. Such exception could be described as a situation that differs from the normal situation, and only the authority of the ruler legitimizes the exceptional decision. In Schmitt's opinion, it is not parliamentarism that should be the institutional foundation of democracy. Democracy, from his perspective, is the shared „identity of rulers and ruled“ (Stammen et al. 2007: 477, translation S.M.). Moreover, he underlined the importance of homogeneity in a society and argued for struggle with any heterogeneous elements (Stammen et al. 2007: 478). In this sense, sovereignty does not necessarily require an individual (a king, a leader) to be in charge of everything while being situated over society, but rather that a homogeneous political subject, as a party, a nation, or a people, would ful-

fil this role (Hardt/Negri 2004: 364). Whenever the existence of state as an organized historical presence is threatened, there appears the condition of the Schmittian exception. The state here “suspends the law in the exception on the basis of its right of self-preservation“ (Kahn 2011: 44).

In summary, the scale of interpretation of the sovereignty concept varies significantly among different authors and even more among the political actors. Often interpretation appears to be different as a result of the diverging perceptions and conceptualizations of freedom. Taking the example of popular sovereignty, there is a clear division between the liberal and republican approaches. In terms of the liberal theory, political community originates on the basis of contract, and its development should follow the logic of reason (Kahn 2011: 7):

“We often align law, welfare, and commerce, thinking that the point of law is to create a stable context for commerce that will satisfy the material needs of individuals. On this view, the creation and protection of property is at the centre of law. Political action is seen as a supplement to action in the market; it is driven by the same interest groups that operate in the market. Accordingly, political reasoning, like market reasoning, should demonstrate means-ends rationality” (Kahn 2011: 22).

As such, liberals believe that the purpose of the state is to enable the maximum amount of value autonomy, and that the purpose of democracy is to provide means for aggregating individual interests into collective decisions within a legal system, which must be implemented without exception (Kahn 2011). This leaves no place for a sovereign (neither for an exception) but creates a framework of division and mutual control of competencies instead (Kahn 2011: 42). Thus, liberalism argues for the limitation of government and public administration through constitutional protection of individual rights. In those areas where the need of governmental interference is not debated, it should be governed through consensus of the affected interests (Scharpf 2012: 7). In terms of legitimacy, liberalism “provides no explicit normative reasons for an obligation to comply with acts of government imposing sacrifices to which one has not consented” (Scharpf 2012: 10). Republicans, communitarians, and radical democrats criticize liberalism for its inability (or unwillingness) to offer the ultimate grounds for common values in a community. The main concern is liberalism’s value pluralism that can lead to a conservatism that is unable to challenge society’s norms and provide a basis for moral and political progress. It can also lead to nihilism as an extreme form of scepticism, which can lead to a dictatorship (Havercroft 2011: 164). A second fear is that relativism will be unable to confront evil.

On the other hand, the republican approach to sovereignty claims it to be a sacred experience within the modern nation-state (Kahn 2011: 26). “A politics of miraculous”, as Schmitt describes it, is rooted in revelation and faith rather than argument and reason. It is also an experience of freedom (Kahn 2011: 157). This is the reason why the republican approach to sovereignty is often called political theology. While liberalism regards the democratic will formation as a mechanism to legitimize the political power, the republican approach recognises a much stronger role of popular sovereignty as transforming a society into a political community and keeping the memory of this construction act alive (Habermas 1992: 363). Although a modern, liberal constitution tends to deny that sovereign power is localized anywhere in the state, “we know that sovereignty exists when we see it operate” (Kahn 2011: 41). Some scholars claim that, in fact, it is impossible to eliminate sovereignty from reality because political life is often unpredictable and dangerous. Therefore, political actors must have the competence to deal with the unexpected. Such competence is what is usually called “discretion” (Kahn 2011: 42).

Public good as the ultimate ground of values becomes central when it comes to the republican concept of popular sovereignty. The latter is either embedded within the institutions of the state or within the people, securing the necessary conditions to nurture and sustain the common good (Havercroft 2011: 165). A violation of the public good principle by the governors justifies protest and even an abolition of the government because the delegation of power happens on the condition that the public good represents the foundation of the regime (Tully 2013: 169ff). Moreover, the republican theory “puts limits on the delegation of governing powers to non-accountable courts and agencies” (Scharpf 2012: 11). The more the functions of government are extended, interfering further with individual preferences, the more the relational character of legitimating arguments comes into play. Republicanism calls upon common identity and solidarity of the citizens and “emphasizes the orientation of public debate to a common interest and shared norms of justice that may legitimate the sacrifice of self-interested concerns” (Scharpf 2012: 12). Such a strong concept of sovereignty describes people as the exclusive decision makers in the world where final truths are uncertain (Halter 2005: 84).

According to this view, it is not possible to explain the phenomenon of the political if we consider reason and interest to be its only elements (as the liberal thought does). The element of will is not less important. The latter would help to contextualise

liberalism and prevent it from developing into a technocratic state where the political is marginalized under the pressure of ineffectiveness if the technical-scientific decisions have to go through the channels of democratic will-formation (Halterm 2005: 48-49, 217). Exactly what makes the technocratic order undemocratic is that it tends to lack social legitimacy, causing frustration and indifference within the population (Halterm 2005: 217, 151). Thus, the republican perspective regards the matrix of political psychology as consisting of three elements: reason, interest, and will (where the sovereign symbolizes the concentrate of common will) (Halterm 2005: 3, 64).

All in all, in praxis, both understandings of freedom and readings of popular sovereignty – liberal and republican – coexist and even complement each other within one polity at the same time (see Scharpf 2012: 13ff). Probably, exactly this co-existence of two different ideas of popular sovereignty (and interpretations of freedom) is the root of the peaceful political processes and social peace because political actors in a state recognize this co-existence as legitimate. The co-existence creates the necessary environment for dialog and contestation between the political actors on different policy questions, without questioning the existence of the polity itself.

Summing up the essential features of sovereignty, first, actors and authors did not come to terms about the concrete definition of sovereignty neither within the political process nor in political philosophy, making *ambiguity* one of its strongest characteristics. Second, sovereignty represents a *reaction* to scepticism, which has been regarded as a threat to law enforcement. Third, sovereignty is always about *power* and its *concentration*. Fourth, the understanding of popular sovereignty depends on *understanding of freedom*. Nevertheless, both republican and liberal ideas generally happen to get along in a modern constitutional state in Europe, representing different groups of citizens.

The concept of popular sovereignty was strongly criticised, especially for the establishment of the command-obedience relation and denial of political freedom (Arendt 1994: 215). It was also described as a judicial power and framework for manipulation that creates the conditions for exclusion and tends to abuse the situation of exception (see Erlenbusch 2012; Agamben 2002; Foucault 2010b). Briefly, it is argued that any power structure based on sovereignty inevitably possesses a strong hierarchical quality and gives political elites an opportunity to manipulate and abuse the authority at the costs of political freedom and inclusion.



## ***2.2. Legitimacy, democracy, and democratic sovereignty***

Sovereignty often serves as the reference for justification of policies and the source of legitimacy by itself. But what is the actual nature of the relations between sovereignty, legitimacy, and democracy?

Considering what legitimacy means, Fritz Scharpf notes a substantial difference between the functional, normative, and empirical perspectives on political legitimacy. All these perspectives focus on one or the other aspect of legitimacy but can hardly be separated in praxis. The functional perspective provides an answer to the main question: how to ensure the “acceptance for exercises of governing authority that run counter to the interests or preferences of the governed” (Scharpf 2010: 301)? The normative perspective is reflected in the institutional arrangements, ensuring democratic participation, accountability, and transparency (Scharpf 2010). The empirical perspective focuses on the compliance of the citizens based on legitimating beliefs rather than threats and sanctions (Scharpf 2010: 301). In my opinion, legitimacy can be defined as acceptance, support (willful or diffused), and trust within the population that are grounded in norms, institutions, and procedures.

Legitimacy of authority is identified through its actual acceptance, which is expressed in a general habit of the citizens to obey and comply with the existing norms. Moreover, it is important that the norms are generally accepted as a scale of the right behaviour and given as a reason for one’s own actions (Veil 2007: 34). Every legal order is built upon the actual acceptance that is decisive for its own preservation and stability. On the contrary, if a state or governmental structures permanently lack the acceptance, their authority is being damaged, leading to legitimacy shocks (Veil 2007: 35). On the empirical level, legitimacy is also expressed in both wilful and diffuse support. It enhances trust and trustworthiness of an individual not only for her own compliance in the present but also trust in the present and future compliance of others – a crucial feature for the long-term stability and justice of a political order (Follesdal 2006: 160). Follesdal points out that

“Legitimacy deficits are not, however, merely a matter of public opinion polls registering low levels of political support for institutions, policies and authorities. Legitimacy is about whether citizens have trust in the future compliance of other citizens and authorities with institutions they believe to be normatively deserving of obedience” (Follesdal 2006: 172).

The first discussion of legitimacy follows the ideas of Max Weber, who introduced three types of legitimate authority: legal, traditional, and charismatic. Since then, the concept of legitimacy has become more complex, and Follesdal, for instance, divides between four fundamental conceptions which define legitimacy: legitimacy as legality, legitimacy as compliance, legitimacy as problem solving, and legitimacy as justifiability (Follesdal 2006: 154). Moreover, legitimacy is differentiated according to its object: a decision, an authority, a public institution, a regime or its principles, and a political community as a whole (Follesdal 2006: 159).

Despite this complexity of the legitimacy concept, the scientific literature generally focuses on the difference between the input and output legitimacy where the input legitimacy stands for inclusion and participation, and the output legitimacy indicates the effectiveness of decision-making. Vivien Schmidt crucially updated this debate by adding a new dimension – the throughput legitimacy (Schmidt 2013). Fritz Scharpf argues that the input-oriented arguments only are not enough for legitimacy of a governing power, but they must be extended or in some cases even replaced by the output-oriented arguments (Scharpf 1999a: 188). Thus, democratic legitimacy is not only about inclusion but also about efficiency (Benz 1998: 364). From my point of view, a strict separation of these types of legitimacy can be misleading on the empirical level because there is no real competition or choice between the effectiveness as output legitimacy and participation as a procedural input. If decision-makers exclusively opt for one of these possibilities, the quality of policy output can be damaged. A technocratic effectiveness-oriented decision, which lacks participation, can face civil disobedience, damaging its effectiveness. In the same way, participation without the orientation to effectiveness will not lead to reasonable solutions. It is important to mention that more participation does not immediately mean qualitatively worse decisions. Moreover, the quality of participation matters for legitimacy (Piattoni 2010). Depending on the issue at stake, legitimacy can be achieved through authorization, representation, or direct participation (Piattoni 2010: 191). Thus, decision-making must be flexible enough to react to the legitimacy needs and claims from the population. Sometimes a minimal standard of participation is perceived as fair, but other times the minimal standard can bring to life destructive consequences for policy implementation if it does not correspond to the expectations of some citizen groups. As Abromeit fairly argues, the more heterogeneous the society is, the higher the price of

frustration would be, and the more participation would be necessary (Abromeit 2004: 79).

The concept of throughput legitimacy is understood as “governance processes with the people, analyzed in terms of their efficacy, accountability, transparency, inclusiveness and openness to interest consultation” (Schmidt 2013: 2). Introducing it, Schmidt argues that it is the quality of the governance processes that really matters for the evaluation of a polity’s overall democratic legitimacy rather than the effectiveness of the outcomes and the participation of the citizenry only (Schmidt 2013: 3). In fact, the decreasing throughput legitimacy is the most salient and politically risky, as it would also challenge both input and output legitimacies:

“Bad throughput – consisting of oppressive, incompetent, corrupt or biased governance practices – regularly undermines public perceptions of the legitimacy of the EU governance, regardless of how extensive the input or effective the output” (Schmidt 2013: 3).

Schmidt underlines the crucial role of interest intermediation with the people. Political actors should be responsive to the participatory input demands, and the policy-making should correspond with the standards of ethical governance and be public, providing the citizens with the access to information. Moreover, it is crucial that the network governance operates within the established “procedural requirements for active participation by a broad range of stakeholders in regulatory decision making” (Schmidt 2013: 17-18). Therefore, the author relates legitimacy to the balance in the interest articulation or, in other words, “to questions regarding the balance in access and influence among organized interests representing business versus those representing unions or public interest organizations” (Schmidt 2013: 6).

Discursive practices can essentially contribute to the shaping and re-definition of legitimacy. Discourse is crucial for the processes of social learning and for the establishment of the trust. In the structures of public communication, representatives give reasons for their decisions, and those represented should have an opportunity to disagree with their representatives if they are not convinced of the decisions or the reasons given for them (Benz 2003: 83). Thus, the public sphere and public dialog represent a space for the public scrutiny (Tully 2013: 169ff). The latter supports the communicative and controlling relationship between the represented and their representatives in the situation of transparency and publicity (Benz 1998: 364). Discourse and the discursive representation express the communicative action and, thus, should be considered as a mechanism of the throughput legitimacy (Schmidt 2013).

To sum up, sovereignty always requires and depends on legitimacy. Thus, it would be right to point out that popular sovereignty is determined by legitimacy. But is legitimacy determined by popular sovereignty too? The nexus between these two concepts is democracy, as the latter represents the input and throughput aspects of legitimacy and simultaneously is a framework for self-determination and expression of political freedom. There are several reasons why democracy and sovereignty are strongly connected. First, people or citizens constitute the source of power in both these concepts. Second, the majority rule and/or general will as the core of decision-making represents another common feature of both these concepts. Also, self-determination is a cornerstone of both democracy and sovereignty. The principle of sovereignty is grounded in the principle of autonomy where an individual partly loses her natural freedom but gains a political one, and individual self-determination transforms into co-decision right (Veil 2007: 52). Thus, democracy provides a framework for co-decision as expression of political freedom condensed in the procedure and practice of political will-formation (Neumann in Abromeit 2002: 69).

So, while democracy embodies the input and the throughput aspects of legitimacy, the criteria of democratic quality are equal with the criteria of both input and throughput legitimacy: equal and effective participation, publicity, and accountability (Kohler-Koch 2013:4; see also Karlsson 2001: 40ff). Representativeness (representation of possibly many public needs and values), transparency, access to information, and inclusive participation should be mentioned here too. Also, equally significant are responsiveness and popular control (Lord 1998). Moreover, Lord mentions the necessity of political leaders and power relations to be authorized by the people (Lord 1998). All these create the base for the input legitimacy of a political system through the democratic process of collective will-formation, which provides institutional arrangements of circular relationship between governors and the governed (Benz 2003: 83). Describing the relations between citizens and their representatives, Benz sums up the following criteria of democracy. First, “institutions and procedures have to bring about effective solutions of political problems” (Benz 2003: 83). Second, “a political system must enable an unbiased transmission of citizens’ interests into the process of governance. The interests of citizens should be decisive both with respect to the agenda of a government and with respect to the decisions on alternative solutions” (Benz 2003: 83). Third, the office-holders must be held accountable for their decisions (Benz 2003). Therefore, democracy is a political framework, which includes institu-

tions and procedures for exercise of political freedom, political inclusion, and broad participation in decision-making, as well as transparency and mutual control of actors. According to Abromeit's definition, "democracy is extension of individual self-determination into the area of collective decisions; it makes itself concrete in participation of individuals in decision, which affect them and to which they are subordinated" (Abromeit 2004: 78, translation S.M.).

Contestation is essential for democracy, especially in a society characterized by diversity and potential or actual social conflicts. In fact, contestation can be regarded as the lowest requirement for democratic polity (see Coppedge et al. 2008; Bartolini 2000; Dahl 1998; (Follesdal/Hix 2006). Follesdal and Hix argue that contestation (for political leadership and over policy agenda) is "an essential element of even the 'thinnest' theories of democracy" because democracy is rooted in the definition of alternatives (Follesdal/Hix 2006: 533). Through the process of deliberation and party contestation, citizens shape their views and get an opportunity to form an opinion on their policy preferences. Follesdal and Hix stress the crucial importance of alternatives in a democratic political process: "if citizens cannot identify alternative leaders or policy agendas, it is difficult for them to determine whether leaders could have done better or to identify who is responsible for policies" (Follesdal/Hix 2006: 548).

Democratic sovereignty is understood here as the ultimate location of the final decision-making authority in the citizens on the principles of self-determination and co-decision. Although some scholars can argue that the ideas of popular and democratic sovereignty have a very similar or even the same meaning, in my opinion, using the term democratic sovereignty in this research would be more precise, as the latter is not only based on the democratic understanding of popular sovereignty but also binds sovereignty to certain democratic procedures and principles. Moreover, democratic sovereignty is free of historical and partly ideological connotations, which the term popular sovereignty certainly possesses.

So, democratic sovereignty only exists in the context of a democratic procedure and process. It means sovereignty of demos as a heterogeneous political and social fabric, consisting of politically active citizens with their interests, values, and a number of identities (for instance, political, professional, gender, cultural, etc.). These citizens should never be incapacitated, as they ultimately decide about which public capacities remain to be exercised by them, and which they delegate to the governors.

Therefore, they literally govern the way their governors exercise these powers by means of evaluation of their performance, overview, and control (Tully 2013: 190). The sovereign is the one who has capacity to legitimately disagree or to reject the compliance (Abromeit 1995: 50). In praxis, what keeps a state together is the people's belief that their laws are right and just because they are created through the procedure, which they themselves have defined earlier in a constitution. As Pernice puts it, "sovereignty is self-determination of individuals rooted in the human dignity" (quoted in Veil 2007: 46, translation S.M.). Through democratic procedure, discussions, and deliberative opinion building, a decision becomes the positive decision (Halterm 2005: 52). On the contrary, a decision that is made outside of this framework is regarded as coercion (Halterm 2005: 52).

### **2.3. *Deliberative democracy***

#### *2.3.1. The main principles*

Deliberative theory by Jürgen Habermas initiated an intense discussion among scholars. As it combines both democratic sovereignty and the procedural aspects of democracy, Habermas considers his own approach to be different from both liberal and republican approaches. Having rationalization as its core makes popular sovereignty more than pure legitimation but still less than construction of power (Habermas 1992: 364). According to Habermas, people as the source of all state power does not represent a subject with will and consciousness but can only act in plurality because people is neither able to decide nor to act as one single body (Habermas 1992: 607). Habermas re-introduces the idea of democratic sovereignty so that instead of the arbitrary deciding subjects, which claim to represent the whole community, there appear "subjectless forms of communication that regulate the flow of discursive opinion – and will-formation in such a way that their fallible outcomes have the presumption of practical reason on their side" (Havercroft 2011: 165). Deliberative democracy declares democratic sovereignty to be the principle "that all political power derives from the communicative power of citizens" (Habermas 1992: 209, translation S.M.). In this sense, the procedural sovereign establishes rational consensus as the ultimate source of authority, and the principle of democratic sovereignty is expressed in the communicative and participation rights (Habermas 1996: 298). Therefore, Habermas presents a very decentralized model of democratic sovereignty. However, the role of the procedural sovereign is crucial in a political order, enacting Habermas's discourse prin-

ciple and thus rational understanding. In accordance with the principle of democratic sovereignty, a subjective law of equal participation in the democratic will formation overlap with the objective and legal, enabling the institutionalized procedure of civil self-determination (Habermas 1992: 209). Habermas “believes that in the absence of his procedural sovereign, society will fall into a state of conformism that is unable to critically modify existing norms on a rational basis” (Havercroft 2011: 188). Mudung argues that Habermas regards state as the means of institutionalization of the self-determination procedure for citizens, representing the idea of simultaneous origin of law and political power (Madung 2007: 112). Consequently, democratic sovereignty in the formulation of Habermas has only the aim of establishing a procedure that would ensure the most favorable conditions for the public discourses (Madung 2007: 115).

The original concept of deliberative democracy by Jürgen Habermas has its source in the ordinary language theory, since both of these ideas regard truth as a phenomenon defined through intersubjective rational communication. Both Habermas and the ordinary language scholars (see Wittgenstein 2001, Cavell 1979 and Austin 1985) acknowledge the necessity of contestation within a community and political models of non-hierarchical authority (Havercroft 2011: 235ff).

Habermas believes that communicative rationality and its implementation through law to be the only measure that is able to achieve the goal of social integration in a modern society and overcome the colonisation as a form of life. Therefore, he demanded the public and critical use of ratio as well as an actual realization of the social and political functions of each individual (Madung 2007: 97). The experience of social cooperation where solutions to the common problems are found through publicity and contestation is the essence of deliberation (rather than a sort of scientific discussion with purely argumentative understanding) (Schmalz-Bruns 2002: 279; Scharpf 2010: 166). Deliberation, according to Habermas, provides legitimacy not only through participation and will-expression but rather through the general accessibility to the deliberative process, whose configuration is based on the expectation of rationally acceptable results (Schmalz-Bruns 2002: 276). Citizens perceive a decision that resulted from the democratic procedure, discussions, and deliberative opinion building as the positive decision (Haltern 2005: 52). Consequently, deliberation and the procedural democratic elements, such as democratic elections, provide legitimacy, authorizing the polity to rule in the name of all its citizens.

I believe that Cohen and Sabel's definition of deliberative democracy includes its essential features:

“On the deliberative interpretation, then, democracy is a framework of social and institutional conditions that both facilitates free discussion among equal citizens by providing favourable conditions for expression, association, discussion, and ties the authorization to exercise public power and the exercise itself – to such discussion, by establishing a framework ensuring the responsiveness and accountability of political power to it” (Cohen/Sabel 1997: 320).

The moral reasoning within competing values is the central element in deliberation. In the deliberative disagreement, citizens are expected “to accommodate the moral convictions of their opponent to the greatest extent possible, without compromising their own moral convictions” (Gutmann/Thompson 2000: 3). As Eriksen and Fossum claim, it also “denotes actors' attempts to come to an *agreement* about the definition of a situation, to reach a common *understanding* of how a given situation should be described with the help of the human language” (Eriksen/Fossum 2012: 16). This feature makes deliberation perfectly compatible with the policy areas, which are often considered too technical for public participation. Despite the claims of some authors that public participation can lead to inefficiency and complexity of decision-making, I think that there are situations when the public involvement is crucial to finding a solution and providing its legitimacy. In my opinion, ignoring the necessity of public participation would aggravate the problem in future, creating a dangerous situation:

“Moral argument in politics can be socially divisive, politically extremist, and morally inconclusive, but avoiding it for these reasons would be self-defeating. The divisions, the extremism, and the inconclusiveness would persist, while the prospects of finding better terms of social cooperation would deteriorate” (Gutmann/Thompson 2000: 347).

But except for the public sphere, there are further conditions for deliberation. Abromeit outlines some of them as: 1) the participants of decision-making process must have a common purpose and be in agreement about the substantive boundaries of discourse; 2) the formal voting procedure should be of minor significance during decision-making or, in other words, “subordinated to argumentative interaction”; and 3) there should be a “neutral party” present (Abromeit 2003: 37-38, translation S.M.). Citizens or participants in deliberation must recognize one another as free and equal, both horizontally and vertically, rejecting strategic behaviour in favour of the goal to reach the common understanding. Gutmann and Thompson describe reciprocity as



acting fairly, while “the possibility of any morally acceptable resolution depends on citizens’ reasoning beyond their narrow self-interest and considering what can be justified to people who reasonably disagree with them” (Gutmann/Thompson 2000: 2). Reciprocity, in this sense, implies moral respect even to morally mistaken positions. Thus, it neither means impartiality nor prudence but an equal treatment of visions among the participants (Gutmann/Thompson 2000: 7). The authors argue that although in practice not everyone but some citizens and officials make arguments consistent with the principle of reciprocity, deliberation is still not an utopia (Gutmann/Thompson 2000: 2). Even the self-interested speakers are compelled to argue in terms of the public interest (Elster 1998), whereas the best argument may be the one that generates bigger support, and not the one that is able to convince all the participants (Thaa 2007: 96-97). Finally, it is important to acknowledge that the conditions for deliberation are often considered to be too strict and impossible to provide in real life. However, Eriksen argues that even if the perfect conditions of deliberation have not been met, a public debate can still have an epistemic value, which is more of substantial than procedural character (Eriksen 2007: 38ff).

It is crucial that a deliberative procedure creates a direct connection between sovereignty and the democratic procedure. Habermas’s democratic sovereignty is an expression of his discourse principle – “Just those action norms are valid to which all possibly affected persons could agree as participants in rational discourses” – is the general principle that applies to all moral and legal norms (Habermas 1996: 11ff, translation S.M.). It is especially crucial in the context of globalization and European integration; as Neyer argues, “in the absence of coercive powers and any widely held belief in the sacredness of a given political order, legitimacy by means of discourse today carries the burden of providing a normative foundation for political integration” (Neyer 2006: 780). Thus, the gaps in social and political integration are closed through participation of citizens (Habermas 1996: 292; Haltern 2005: 528).

### *2.3.2. Deliberative procedure and its requirements*

The following part considers the procedural core of deliberative democracy. The decisions emanate from a plurality of individual statements, which are generated and treated according to the democratic rules, and whose collective interpretation turns them into a statement of the sovereign general will (Habermas 2011: 53). As deliberation is a settlement practice among equals, which is not based on compromise

but on the conformity of reasons, its main aspects are rationality and mutual justification. Cohen and Sabel point out that “citizens are required to defend proposals by reference to considerations that others acknowledge as reasons, and not simply by reference to their own interests” (Cohen/Sabel 1997: 329). While the exchange of reasons and statements takes place in public, everyone gets an opportunity to weigh the reasoning of the other and estimate its relevance (Cohen/Sabel 1997: 329). For instance, although constitutional reasons are recognised to be supreme, no universal weight of policy reasons can be defined because different actors weigh a variety of policy reasons differently (Cohen/Sabel 1997: 327-328). Scepticism fulfils a special function here as an impulse, which is necessary within the modern political systems because it keeps the system lively, triggering the search for new solutions of specific problems.

The deliberative democratic procedure directs the administrative power in a certain way, making the receivers and authors of law identical (Habermas 1992: 364). Thus, the law making through parliament is described as a watergate (Schleuse), which enables the penetration of communication flow from public to the political systems and transfers them into legally binding decisions (Thaa 2007: 91). Legitimacy is ensured when an administrative power acts reflexively, permanently crossing the communicative flows in the political public (Habermas 1992: 622).

The public sphere plays an indispensable role in any model of democracy, especially in deliberation. Originally, “it is the place where citizens exercise their public capacities to judge and hold to account their governors in accord with the public good” (Tully 2013: 190). But the framework of deliberative democracy expands the functions of the public sphere, giving every individual an opportunity to express her vision, values, and solutions, thus encouraging individual responsibility. It is also a sphere of mutual subjectivity, ensuring a dialog between the governed and their entrusted governors over the delegation of capacities of self-government and the public good (Tully 2013: 191). Eriksen describes publicity as “a democratic experimental device for detecting and solving social problems – including the identification of unintended consequences or by-products – and not as a political principle of legitimacy” (Eriksen 2007: 39).

The fundamental question of deliberation is, who must participate? Various approaches to deliberative democracy understand deliberation as public and possibly including everyone concerned consultations about issues and common problems (Thaa 2007: 86). However, scholars, including Habermas, usually differentiate be-

tween the public deliberation (unorganized form of deliberation) on one hand and deliberation between the representatives of different interest groups and the government or within the political elite in a broad sense (organized form of deliberation) on the other hand (Thiel 2012: 94, Schmidt 2002). Such division cannot be strict, as the elite and ordinary discourses cannot be entirely separated in practice. In fact, they are closely related and in many cases representative for each other. The public deliberation increases the plurality of discourse, bringing more fresh ideas into politics for better policy outcomes (Steiner 2012: 26). It also presumes that a free and open discourse brings forth qualitatively better decisions and their better justification (Eriksen/Fossum 2012: 17). In its turn, the elite discourse is rather characterized by better selectivity and a stronger focus (Thiel 2012: 94).

Moreover, it is possible that the elite deliberation ‘behind closed doors’ precedes the public deliberation. There are scholars who even argue that some policy issues should be left for the elite deliberation exclusively because the public deliberation among citizens often relates to how the media tend to report politics (Wendler 2005; Schmidt 2002). Wendler points out that when it comes to the EU, there is a tendency to conceptualize the principle of deliberative politics separated from the general public. In this case, deliberation is narrowed down to discussions among experts who are treated as functional equivalent of the general public (Wendler 2005: 211ff). According to this logic, deliberation is limited to political actors, interest groups, and those actors who have important stakes in the issue. However, the elite deliberation should not turn into a case where representatives give reasons and citizens merely receive them. The concept of associative democracy tries to solve this problem by locating deliberation within the political associations, which are less than public but more than elite. In this case, authors draw attention to the necessity to institutionally strengthen the weak and less organized interests on purpose, in order to create the balance and guarantee equal participation of various interests (see Huget 2002: 24ff). The associative approach is especially suitable for inclusion and representation of the functional interests.

To sum up, it is not always necessary that every citizen participates in order for deliberation to take place. Once the criteria of inclusiveness, contestation, and rational reasoning are satisfied, deliberation can also take place among the representatives. In fact, deliberation should be considered as representation of views rather than individuals (Elster 1998: 13), encouraging contributions from citizens through elimi-

nation of barriers to participation, and thus promoting the multiplicity of perspectives and multivalency (Schmalz-Bruns 2002: 279). This type of deliberation can be a step forward in transparency and accountability, as it encourages the interest groups to improve their organization and be more present within the democratic framework, institutionalizing reciprocal objections (Schmalz-Bruns 2002: 280).

Deliberation should be aimed on resolving something thus it has an end. Ideally, in its final stage, the opinions of losing minorities are expected to be treated with respect and due consideration. Habermas defines the purpose of communication quite narrowly – actors intending to seek the truth (Thaa 2007). Therefore, a decision as a result of deliberation should be a consensus because a compromise does not demand the compliancy of reasons but rather represents a trade-off between the interests and opinions of participants that remain stable (Thaa 2007: 87). In practice, communication is not only truth seeking but also interest driven. Hence, deliberation is a mixture of bargaining and arguing, making both consensus and compromise its possible outcomes (Schmidt/Radaelli 2004: 374). Analysing the empirical material on deliberation, Schmidt and Radaelli conclude that there were neither ‘pure conflicts of interests’ based exclusively on bargaining nor ‘pure conflicts over facts’ in which actors use argument to establish the truth. They discovered a conflict of policy paradigms, norms, and values where arguing was often used as a means of bargaining, but it also possessed potential to more transformative effects (Schmidt/Radaelli 2004: 374). Gutmann and Thompson express the idea of deliberation whose principles strongly depend on the concrete, issue-specific context. They believe that “deliberative perspective sometimes justifies bargaining, negotiation, force, and even violence” (Gutmann/Thompson 2000: 4). In any case, according to the idea of deliberation, the majority of decisions should be considered fallible and can be taken up again at a later stage if new information and new arguments arise (Steiner 2012: 11).

Some scholars argue that deliberation is also important for efficiency, effectiveness, and quality of decision-making, especially in a heterogeneous polity (Neyer 2006: 787). It reduces the number of acceptable policy options to those, which are compatible with the general interest and thus makes political compromise more likely (Neyer 2006: 787). The public scrutiny of the effectiveness of strategies and leaders is another positive side effect enforced by deliberation (Cohen/Sabel 1997: 314). Concerning the policy effectiveness and the outcomes of deliberation based on the empirical research, Gutmann and Thompson conclude that deliberation may not have pro-

duced the best possible solutions, “but its results were probably no worse than less deliberative means would have achieved, and they surely advanced public understanding further” (Gutmann/Thompson 2000: 359).

It seems like deliberative democracy represents a solution to the challenges of heterogeneity and institutional constraints and is able to correct the recent negative development of the aggregative democracy models. Deliberation advances efficient, effective, and legitimate governance in the EU (Neyer 2006: 786). While democracy is usually analysed either in its procedural or substantial forms, deliberative democracy combines both these elements in one idea (Abromeit 2002: 114f).

Deliberative democracy does not confine democracy to a state or demos “but rather grounds it in the rights that free and equal subjects grant to each other when they want to govern common affairs through positive law” (Eriksen/Fossum 2012: 7). From this perspective, the concept of democratic sovereignty implicates citizens’ political opinion building and will-formation, which bears the burden of legitimation.

Unlike the other models of democracy, the deliberative model interprets diversity and heterogeneity in the EU integration positively: as a facilitator and enhancer of the public use of reason. Cohen and Sabel point out that

“the advantage of actual deliberate consideration of alternatives by citizens of equal standing but diverse experience and disposition is that the diversity of viewpoints brings out the strengths and weaknesses of diverse proposals” (Cohen/Sabel 1997: 330).

In this understanding, heterogeneity in the EU is considered to be an important resource of the democratic self-government because “disagreement can even be conducive to democratic governance, providing incentives to debate, political interaction and intersubjective learning” (Neyer 2006: 781). Deliberative democracy also represents an attempt to address the challenge of moral disagreement more efficiently than the other models of democracy, as the former secures a central place in the political life for the moral discussion (Gutmann/Thompson 2000).

Deliberation addresses the quality requirement of democracy (Eriksen/Fossum 2012: 16) and simultaneously helps to overcome some of the difficulties of enforcing compliance in the EU. From the perspective of effectiveness, there are several relevant arguments in favour of deliberation: relevant local knowledge, that participants tend to be more other-regarding, and that participants tend to be more reflective in their definition of problems and proposed strategies (Cohen/Sabel 1997: 333). Flexi-

ble deliberative procedures provide an institutional structure for voicing concerns and for adapting rules to the changing preferences and technological innovations.

Nevertheless, a complete substitution of all elements of the other democratic models with deliberation seems to be counterproductive. Deliberative democracy should rather be seen as a critical extension and strengthening element to the procedural-aggregative foundation of democracy. Deliberation introduces the decision-making procedure, which is “not a question of a democratic election, but of proposing, listening, concerting, changing one’s opinion, in order to form in common a common will” (Elster 1998: 3).

### *2.3.3. Dangers of deliberation*

It must be recognised that deliberation has received at least as much criticism as support. In the following section, I would like to present a critical assessment of the deliberative idea too. The exclusive deliberation is not capable of filling the legitimacy gap, while being grounded in the elite epistemic communities and expertise that produce ideas and images, which can be true or false. The circumstances of exclusive deliberation enlarge the gaps in legitimacy, scepticism, and frustration of the population. Moreover, there are three main dangers connected to the real life deliberation: lack of the mutual understanding and respect among the actors (see Marcinkowski 2005), lack of inclusiveness of the deliberative procedure (see Kohler-Koch et al. 2004; Abromeit 2002), and escalation of conflict instead of reaching a consensus (see Sanders 1997; Karlsson 2001; Elster 1998). These dangers finally lead to a defected deliberation, which, instead of fulfilling its original purposes, leads to increasing asymmetries in power.

Many scholars question the idea that deliberation can actually provide inclusion. These doubts can be summarized as danger of elitism (Scharpf 2010), exclusion of less-educated or less rational citizens (see Elster 1998; Thaa 2007), absence of procedure to secure the real participation of each affected individual, inability of deliberation to guarantee the balance in interest representation (see Blaes-Hermanns 2007; Sanders 1997), and questionable public rationality (see Emden/Midgley 2013; Sanders 1997; Sunstein 2003). There is the growing concern that the goals of deliberative theory transform into symbolic politics in practice (Abromeit 2002: 107).

Although deliberative democracy states that everyone affected by a decision should be able to participate in it, scholars are rather sceptical about this possibility.

As Steiner fairly observed, there are plenty of issues, like environment or health care, which concern literally everyone (Steiner 2012). Especially in a large political system, such participation in the decision-making is organisationally or administratively impossible. There has been an attempt to solve this problem through the deliberative pooling, as James Fishkin suggests it (Fishkin/Laslett 2003). However, the latter has been criticised by the scholars too (see Steiner 2012: 33ff).

The demand for too high a degree of moral and intellectual sophistication makes deliberation in Habermas' terms exclusive (Scharpf 2010: 165). For example, education enhances deliberation, whereas it is clear that everyone cannot be equally well educated (Elster 1998: 13). Therefore, deliberation can lead to discrimination "on seemingly democratic grounds the views of those, who are less likely to present their arguments in ways that we recognize as characteristically deliberative" (Sanders 1997: 349). Moreover, discourse as a flow of information can fail to reach or to convince the counterparts, and the public rationality often cannot be guaranteed. The latter is highly criticised among scholars, either from the perspective of the universal rationality as being unrealistic or as a practice, which actually hides exclusion mechanism within itself (Thaa 2007: 88). Deliberation process is time-consuming and can be very demanding for the participants. If people are not trusted to deliberate or not everyone is able to participate in deliberation, it can become exclusively elite and technocratic (Kohler-Koch et al. 2004: 224; Abromeit 2002: 105). Bargaining processes among the insiders have potential to externalize costs on the outsiders.

Although discourse in Habermas' understanding is very significant for democracy, in some conditions it fails to provide inclusion and participation, even together with the institutional and other procedural aspects of democracy. Blaes-Hermanns analysed the question of whether deliberation is able to increase equal representation, especially when it comes to the weak interests, such as the interests of poor (Blaes-Hermanns 2007: 129ff). She claims that the structural problem of the deliberative procedure is that from the very beginning certain interests have less chance of participating successfully while the reasons for this were not deliberated and agreed upon. Here, she basically refers to Habermas' classification of the discourse types and claims that, in practice, the moral discourse is substituted with the pragmatic discourse (Blaes-Hermanns 2007: 131). Thus, deliberation has so far not been able to bring balance to the interests' representation, which makes its practice "often neither truly deliberative nor really democratic" (Sanders 1997: 349).

In fact, even if all interests are equally represented, domination of a debate by some actors also has crucial consequences for politicization and the quality of deliberation. Analyzing the public debates on the Eurozone crisis in six countries<sup>6</sup>, the research by Grande and Kriesi shows that there was no significant increase of politicization as both the range of actors and the degree of polarization remained relatively low, despite the great salience and importance of the issue over a long period of time (Grande/Kriesi 2015). Interestingly, in the case of Germany, the authors proved low polarization despite high salience and participation of a wide range of actors (Grande/Kriesi 2015). In their study, Grande and Kriesi explain the low politicization by strengthening of the executive power in the situation of the Eurozone crisis that led to a decrease in polarization (Grande/Kriesi 2015: 498). In other words, the domination of the executive on both the European and national levels hampered a wide and intensive deliberation on the topic of European integration.

How can it be guaranteed that all conditions of deliberation, especially the mutual understanding, are fulfilled? The ordinary political life in parliamentary democracies does not prove to be cooperative, intending to reach conformity of reasons or find the truth (Thaa 2007: 92). Moreover, there is a consensus among the scholars that deliberation should not be considered as a decision-making procedure by itself but as a necessary supplement to bargaining, voting, or both (see Elster 1998: 14; Cohen/Sabel 1997: 320). In the empirical research of constitutional debate in Liechtenstein, Marcinkowski concludes that from the beginning until the end of the debate, the party in power neither shows respect nor accepts the claims of its opposition as legitimate (Marcinkowski 2005: 144). Another example would be the case of the USA, where consequences of prejudice, such as race, class, and gender, were scrutinized in deliberation (Sanders 1997). The author came to the conclusion that “deliberation requires not only equality in resources and the guarantee of equal opportunity to articulate persuasive arguments but also equality in “epistemological authority”, in the capacity to evoke acknowledgement of one’s arguments” (Sanders 1997: 349). In fact, the arguments and/or participation of some groups can be disregarded on the basis of prejudice. If the prejudice remain “unrecognized by both those who are subject to it and those who are prejudiced, prejudices cannot possibly be challenged” (Sanders 1997: 353). The expectation that deliberation would enhance citizenship by inspiring auton-

---

<sup>6</sup> The public debates have been analyzed in the credit-providing countries – Germany, France, the UK, Austria, Sweden, and Switzerland (Grande/Kriesi 2015).



omy and a sense of community, leading to the mutual respect, would not be met if social hierarchies and patterns of oppression hamper this idea, generating the opposite outcome – alienation (Sanders 1997: 369).

According to Habermas, the majoritarian decision-making represents a rationally motivated but fallible result of a *preliminary* ended discussion about what political action is right and appropriate (Habermas 1992: 613). As the criticism of deliberation fairly points out, there is not only one scenario that deliberation will end in a consensus. For instance, Karlsson claims that there is rather little empirical evidence supporting this (Karlsson 2001: 59). The second possible scenario would be that deliberation ends with increased differences and escalation of a conflict, following increasing distrust and lack of legitimacy (Karlsson 2001: 59; Elster 1998; Abromeit 2002: 148). Moreover, the chances of such escalation and radicalisation are higher in a highly heterogeneous society because there is different perception of problems, making the agreement on solutions very problematic (Abromeit 2002: 148). Abromeit emphasizes how the mutual reason giving generally depends upon a higher degree of homogeneity among the citizens than can reasonably be assumed in a large-scale, pluralistic democracy (Abromeit 2002: 148).

Therefore, neither mutual understanding nor steering towards a consensus can be taken as granted. Publicity is ambiguous too: “emotionally charged and with an unclear understanding of the foundations of constitutional order, the public could not entirely be trusted” (Emden/Midgley 2013: 6, see also Marcinkowski 2005). Some scholars recognise the difficulties for the democratic process in dealing with the questions of exceptional complexity (Sbragia 2005: 179). Moreover, it is claimed that citizens are particularly driven by the interests, which immediately and obviously concerns themselves, and are not capable of apprehending anything beyond this (Sanders 1997: 355; see also Sunstein 2003: 91). If this were indeed the case, a strategic bargain would be preferred to deliberation. Thus,

“although without any doubt the communicative action theory of Habermas has a goal to strengthen universal norms of justice against both values of particular groups and imperatives of societal subsystems, a look at real political disputes about moral norms as human rights, social justice, or welfare state shows that moral norms are not only controversial but also are in danger to become substituted for functional demands, especially for the economic ones” (Thaa 2007: 105, translation S.M.).

The public media tends to be incapable of generating discursive communication because of its preference for a conflict, its motivation for discrimination of a political opponent, its tendency toward simplification and trivialisation of issues, motivating political actors to appeal directly to the public and discuss each other instead of communicating with each other (Marcinkowski 2005: 136ff). Especially in the case of the European initiatives and policy-making, it is the national media that dominates the news reporting (including analysis) in the local languages and tends to concentrate on antagonisms.

To sum up, the idea of deliberation and its reality in the EU is complex as there are arguments both for and against deliberative democracy. Although some questions concerning the deliberative procedure remain unresolved, in my opinion, deliberation still can have legitimating and democratic value in the highly heterogeneous polity of the EU under the condition that functional representation is guaranteed and that the contestation of ideas and policy concepts actually takes place. The idea of deliberation is especially useful for reinforcing democracy in a heterogeneous, de-centralized polity, opening new channels for effective participation and emphasizing the significance of discourse in a modern state. Despite all the technical difficulties, the concept of deliberate democracy by Habermas provides a normative concept of procedural popular sovereignty in a transnational setting. This approach is both inclusive and depends on participation of citizens and political actors in the definition of agenda as well as in concrete policy-making. It demands equal opportunity to present a view in public, communicating values and experience, and contributes to the objective of finding the policy solutions built on consensus or at least a compromise. The end results of deliberation are fallible and can be re-considered in the future deliberations. The following chapters attempt to offer an answer to the question: if we assume that democratic sovereignty can only exist in the context of a democratic procedure, to what extent does the elite public deliberation in the EU fulfil the basic requirements of deliberation and channel democratic sovereignty?

## **Chapter 3: Methodology**

### *3.1. Research question and operationalization*

Regarding the operationalization and methodology of this thesis, it is important to summarize once again the idea and central definitions adopted in the theoretical part of this research. The main question of this research is: how does the shift of authority, expressed in the realignment of some competences between the EU and its member states, and simultaneous recognition of sovereignty undermine democracy?

If the EU is conceptualized as an empire that on the one side pervades and certainly exercises some control over the effective sovereignty of its member states, but on the other side also (at least formally) recognises their democratic sovereignty, and the legitimacy of the EU policies depends on this sovereignty, what criteria for democracy are to be applied in this case? Additionally, it must be recognized that the central characteristic of the EU polity is diversity of the policy regimes (at least in the sphere of economic policy). This diversity is rooted in the different socio-economic and cultural backgrounds. Therefore, it must be channelled and must also result in a contestation on the EU level. In the previous chapter it was argued that, in order for the deliberative procedure understood as proceduralized democratic sovereignty to take place, two basic criteria – functional representation (reflected in discursive representation) and contestation over agenda – should be fulfilled. The idea of discursive representation is not new; Dryzek and Niemeyer even suggested some formal institutions to operate it and select the discursive representatives (see Dryzek/ Niemeyer 2008). The objective of this thesis is not to promote a new normative model of democracy for the EU level but rather to assess the EU polity on the base of two basic criteria of democracy.

In fact, discursive representation (discursive inclusiveness) seems to be the very least we can expect in terms of democracy in a large differentiated polity, such as the EU. How inclusive or exclusive is the discourse on the EU level? To what extent does it reflect the actors' preferences and concerns identifiable in the dominating discourses in the member states? How representative is the EU discourse for the member states? Representation of discourses rather than individuals seems to be justified in the EU polity where member states are recognised as sovereign, and where the politics in the member states formally remain the main level of participation and accountability. It is crucial for legitimacy that the policies in the member states are em-

bedded in the domestic context of the modes of governance and societal power relations. Even if not all relevant discourses were present on the EU level, a basic discursive contestation would be an important indicator of the democratic quality.

According to the first hypothesis, democracy in the EMU has been undermined through inability or unwillingness to recognise the difference in the economic policy dynamic and in traditional definitions of values in the member states. This failure is expressed in the lack of representativeness and missing contestation on the EU level. The differences were neglected and suppressed within both monetary and economic aspects of the EMU. The second hypothesis claims that the hegemonic discourse has failed to naturalise itself in the early years of crisis and was resisted in some parts of the EMU, resulting in distrust and loss of legitimacy. The fact that the existing antagonisms do not find a resolution through articulation, but some meanings are forced upon some groups, comprises an element of coercion. It increases the asymmetry of power and further enforces centre-periphery relations among the member states.

In this thesis, the EU is conceptualized as a new type of empire – a polycentric polity, employing non-hierarchical modes of governance and recognizing its member states' sovereignty. In my opinion, it is also characterized by asymmetric power among its member states that manifests itself in a different capacity of each member state to influence the agenda and in a different degree of vulnerability of the member states due to socio-economic difference among them. The modes of governance employed by empire enable the domination through discourse. At the same time, discursive representativeness and contestation have been identified as the minimal indicators of democracy on the EU level, suggesting that some type of deliberation among communities rather than individuals can take place there. Therefore, lack of discursive representativeness and contestation on the EU level would evidence in favour of the existence of asymmetric power if it can simultaneously be proven that there is a crucial difference within the dominating domestic discourses in the member states. In particular, we need to understand how inclusive or exclusive the discourse on the EU level is in terms of responding to the ideas, values, and perceptions in the member states. These assumptions are tested in this research, focusing on the policy field of economic and monetary policy.

### 3.2. *Discourse analysis*

Discourse analysis is applied in this thesis with the goal to evaluate the discursive representativeness and contestation. There are several defining features of discourse, which I would like to draw attention to. Discourse is a social practice and use of language that shapes identities and enacts practices. Discourse means

“a system of stories and expert knowledge diffused through the society, which convey the widely accepted generalizations about how the society operates that are theorized in these terms, as well as the social norms and cultural values to which most of the people appeal when discussing their social and political problems and proposed solutions” (Young 2003: 116).

Discourse also reveals the private concerns and information, enforces a particular mode of justifying the demands, serves for legitimization of the ultimate choice, and should promote Pareto-superior decisions and a larger consensus (Elster 1998: 11). Moreover, discourses provide a favourable environment for citizens to be able to make sense of what is happening and how to respond, while exercising control and ensuring the common-interest orientation of the legislative and electoral choices (Scharpf 2010: 167; Scharpf 2012: 5). Nevertheless, the content of discourse, which structures and explains the reality, is equally able to privilege or exclude certain groups and interests as ‘inappropriate’ (Heinrich/ Jessop 2013).

Discourse does not only have communicative and ideational aspects but also a relational aspect, as it reveals discourse coalitions in the forms of epistemic communities or advocacy coalitions. In this context, an epistemic community is defined as loosely connected individuals united by a common set of ideas, whereas more closely connected individuals united by the attempt to put those ideas into action would be a definition of advocacy coalitions (Schmidt/ Radaelli 2004: 195ff). Hence, discourse structures the political space, promoting cooperation, consensus, antagonism, and exacerbation or mitigation of conflicts.

There are many types of discourse analysis, as each time it is adjusted to the goals of a concrete research. Hence, it is important to summarise the purpose of the discourse analysis in this research. First of all, it is essential to examine the conflict dimension of the discourse in order to reveal competing values at stake. Therefore, on the EU level, it is necessary to assess how inclusive/exclusive the EU discourse is relating to the member states’ discourses. Second, it is important to re-construct the discourse coalitions, their corresponding positions, and representation. Even though one

discourse can dominate the debate and policy-making, it is also necessary to find out about the character and scale of such domination.

Before describing the discourse analysis adopted for this research, it must be mentioned that the method presented below is only relevant for the two discourses on the member state level. The discourse on the EU level is examined based on the secondary literature for the reason that its complexity could not be regarded in depth within this research.

Although discourse is not equal to a text, it can be described as production, distribution, and consumption of a text. Oral and written texts in forms of speeches, media interviews, statement documents, press releases, press conferences, and articles aimed at opinion giving and self-representation constitute the units of the discourse analysis here. In total, 239 documents have been coded for the analysis, whereas the volume of each document varied between one page (usually press releases and statements) and over a hundred pages (the parliamentary debates). Table 2 below provides more details on the documents used for the analysis of each case study. The units of analysis for the German case study have been analysed in the original German language. For the Greek case study, many documents from the official sources could be found in the English language (for example, the absolute majority of the documents/speeches by the representatives of the Bank of Greece and some governmental speeches and interviews). Unfortunately, my knowledge of the Greek language was not adequate for the analysis of the complex documents, and some documents (especially, the parliamentary debates) had to be translated from Greek into English (word by word).

There are two aspects of discourse that are often considered central: the argumentative and dynamic. The argumentative content (rather than the linguistic dimension of discourse) is essential for the question of this research. The analysis is generally focused on the statements regarding the EMU and European monetary integration, including rhetoric, frames, story lines, and policy narratives. The texts were selected for further analysis if they present an interpretation of objectives and values behind the EMU, the narratives regarding implications of the EMU for the other policy fields, and/or positive or negative evaluation of the membership. Through the analysis of the argumentative content, it is important to identify which actors form the discourse coalitions, and whether one dominating discourse can be identified and attributed to any discourse coalition.

*Table 2: Types of documents used for analysis and their total amount for each case study*

<i>Type of document</i>	<i>Germany</i>	<i>Greece</i>
Parliamentary debates	17	9
Additional parliamentary speeches by the government representatives	6	-
Additional governmental reports and policy statements in the Parliament (by the Chancellor or the Prime Minister)	10	15
Other speeches by the members of government	13	14
Other speeches and interviews with the members of parliamentary opposition	-	2
Speeches by the chiefs of national central banks	4	22
Speeches by the leaders of enterprise associations	1	3
Speeches by the leaders of labor organizations	-	1
Interviews with the members of government	6	2
Interviews with chiefs of the national central banks	3	1
Interviews with leaders of enterprise associations	4	3
Interviews with leaders of labor organizations	4	-
Press conferences	2	-
Press releases/statements by the government	1	9
Press releases/statements by the labor organizations	16	14
Press releases/statements by the enterprise associations	3	25
Press reports with direct quotes (all actors)	7	-
Articles in newspapers/magazines by political actors	5	-
Open letters	2	2
Reports by the national central banks	1	-
Reports by the enterprise associations	4	-
Other (periodical) publications by the enterprise associations	1	1
Other (periodical) publications by the labor organizations	1	5
Total:	111	128

The discourse coalitions are determined according to the criteria of qualitative correlations between the ideas and values expressed by different actors. Moreover, discourse analysis also includes the dynamic aspect, inspecting stability or evolution of the discourse over the periods of analysis.

Defining the key actors for analysis often puzzles the scholars because the total number of actors must be reduced for the sake of better quality and feasibility of the analysis. This analysis is focused on the elite discourse in a broad sense, which would include both European and domestic actors. Concerning the European actors, the Commission representatives, members of the Council, and the ECB representatives are included in the analysis. Additionally, the discursive data from different actors on the nation state level was studied, which includes the government representatives

(ministers of finance, ministers of economy, and chief of the government), the parliamentary opposition, representatives of trade unions and employee organizations, as well as representatives of the national central banks. The elite and the general public discourses are closely related. The reason for this research to focus on the elite discourse is due to the fact that the latter is more narrowed down and plays decisive role in the decision-making.

Summing up, the discourse analysis with the focus on argumentation proceeded by taking the following steps. After the texts were selected and the preliminary reading was complete, the relevant parts of each text were coded in order to reconstruct such categories as problem, reason, solutions, values, and consequences. All relevant categories and definitions were coded. Generally, these questions were asked in the process of codification:

- What are the categories mentioned in the text?
- Which phenomena are repeated in various texts?
- What is the main problem? Who defines it?
- Which solutions to the problem are mentioned in the text?
- Who proposes these solutions?
- Which strategies and tactics are implemented to solve the problem, why are the other possible strategies rejected?
- Which intended and unintended consequences are mentioned?
- Which moral principles or concepts justify the position of speaker?
- Actant analysis: sender/ receiver, hero/ bad, object (goal) & helpers. Which actant can be found in the text, how do they act, and what are their competencies?

Once the codification had been finalized, core “stories” and contrastive “stories” can be re-constructed for each actor and for actor coalitions. These stories and stances were further compared to the positions on the EU level as well as between the two member states selected for the analysis. The potential responsiveness of the EU discourse is evaluated through comparison of the dominant categories identified in the member states’ domestic discourses with the ones dominating on the EU level.



Finally, in terms of contestation, it must be established if there is a hegemonial discourse in the EMU. It is relevant for this research because, if the hegemonial discourse can be clearly distinguished, every political choice would be pre-programmed in a certain way. Hegemonial discourse indicates a bias in the field where political actors compete with their ideas. Its hegemonial character suppresses particularism as the central element of the plural democracy and takes over the representation of the “truth” in Foucault’s understanding. According to Laclau, hegemony means a way of operation in which a particular takes over the representation of the universal, while remaining particular (Laclau 2014: 8). Therefore, a comprehensive claim is promoted, whereas what is claimed represents political universality.

“This relation, by which a certain particularity assumes the representation of a universality entirely incommensurable with it, is what we call a hegemonic relation. As a result, its universality is a contaminated universality: (1) it lives in this unresolvable tension between universality and particularity; (2) its function of hegemonic universality is not acquired for good but is, on the contrary, always reversible” (Laclau/Mouffe 2001: xiii).

According to Foucault, truth claims have constituting power and should be studied for their production of social, cultural, and political effects (Sondergaard 2002). Hegemonic discourse is capable of naturalising an ideology that means it can secure acceptance for some ideas as non-ideological common sense (Fairclough 2010: 30). The critical goal of a discourse analysis is reflected in denaturalization or, in other words, “showing how social structures determine properties of discourse, and how discourse in turn determines social structures” (Fairclough 2010: 30).

Therefore, there is need for indicators in order to determine whether or not a discourse is hegemonic. Three indicators are crucial for this analysis. First, a discourse must be reflected in the activity of the relevant political institutions and/or their mandates. Second, the discourse must be promoted by a powerful discourse coalition, which has its representatives in the decision-making process. Finally, it is essential that the oppositional (alternative) discourse(s) accepts and does not attempt to challenge the basic assumptions of the hegemonic discourse. The latter condition is important because it would prove the naturalisation of the hegemonic discourse. Only if all three of these criteria are fulfilled at the same time, a hegemonic discourse is present. Nevertheless, it is possible that a discourse does not possess all these features during the whole period analysed here. In other words, it might be that a hegemonic

discourse loses and re-gains its hegemonic status throughout the analysed time. If this is indeed the case, various phases of the discourse must be identified.

### 3.3. *Context analysis*

The context analysis essentially frames discourse in terms of institutions and presents the relevant actors and stakeholders. Context reflects the discourses of the past and present. The main function of the context analysis in this research is to provide a basis for the discourse analysis and to demonstrate further facets that the discourse analysis alone cannot grasp. In fact, discourse can hardly be separated from its context because such separation would lead to misinterpretations and elimination of an important relational aspect. The institutional context may

“vary greatly across countries and time, and include such things as the political rules of conduct, whether consensual, competitive, or conflictual; the political governance structures, whether unitary, federal, or consociational; the governance processes, whether pluralist, corporatist, or statist; the industrial relations regime, whether co-ordinated, fragmented, or decentralized; or welfare state values, whether individualist, universalist, or family-oriented” (Schmidt/ Radaelli 2004: 197).

Moreover, states differ in their degree of formalization and institutionalization of the decision-making system, including the scale of legality, formal/informal institutions, network governance, and transparency (Abromeit 2004: 84ff). The main objective of the context analysis in the following chapters would be to identify the features of each characteristic mode of governance, which essentially determines the domestic political dynamic after the creation of the EMU too.

However, it is not only the mode of governance that is the object of interest. In each case study, it is attempted to point out the framework of the economic and monetary policy-making and to demonstrate how this framework is embedded in the general socio-economic context of each case. Precisely, the primary goal is to identify how well the social and economic aspects of a member state match or mismatch between the central bank’s mandate and the institutional structures both before the accession and after the accession to the EMU, as well as the general objectives of economic policy. The secondary goal is to find out exactly how the policy of the central bank relates to the economic policy of the government and to the activities of the other state actors, business groups, and trade unions. This assessment would reveal the scale of adjustments that a member state and the relations among the domestic actors underwent.

### 3.4. Case studies

This research includes the analysis on both European and member state levels. First, the study of the EMU provides the basis for the comparative analysis later in this thesis, presenting the overall framework that includes member states as its parts. Second, two country case studies, Germany and Greece, allow the comparison between them (domestic level) and each of them with the EMU (European level). The comparative study of two country cases applying most-different method is especially useful for the following reasons. First, it would reveal whether or not the implications of sovereignty for the democratic quality of the policy-making within the EMU are the same or different across its member states. The latter differ considerably in their previous monetary policy tradition, modes of governance, and institutional architecture, reflecting the specific domestic power balance. Second, concerning the discursive representativeness and contestation on the EU level, if the cases are most different, the chance of disagreement is higher, and it should be reflected in the diverging positions and contestation on the EU level. Therefore, two member states of the EMU, Germany and Greece, were selected for the analyses for a number of reasons. While Germany transferred the institutional structure of the Bundesbank and the requirement of the budgetary discipline on the EU level, Greece represents the policy receiver, at least since its formal application for the membership in the EMU. The monetary policy record of these two countries before their membership in the EMU is often described as a success and failure, respectively. Moreover, the two countries are characterized by the different internal dynamics and different position of state in the process of decision-making. While corporatist and cooperative relations among the main actors distinguish Germany, the case of Greece is an example of stronger role of state and clientelism.

As mentioned above, each case study consists of two parts – the contextual and the discursive. Each part attempts to answer a set of questions. The first set of questions in the country case studies aims to analyse what the pattern of economic and monetary policy embeddedness in the member state was before the EMU, as well as how it changed, and which adjustments it experienced after the country's accession to the EMU. These questions will be answered through the dynamic analysis of institutions and characteristic decision-making context, which also contextualizes the discourse and shows how it is embedded. The second set of questions includes: what is the dominating EMU discourse in the country; which discourse coalitions can be

identified; which actors belong to the discourse coalitions; what are the stances of the actors; and whose interests do the actors and coalitions represent? An attempt to answer these questions is undertaken by means of the discourse analysis. The period of the discourse analysis roughly captures the years around the stage three of the monetary integration (1997-2000) and the period of the Euro zone crisis (2010-2015). These two periods are examined in order to assess whether evolution of the discourse over time and its phases can be established.

Regarding the European level, the context of the EMU study has an objective to determine why the integration within the EMU could take place, what kind of challenges to the economic and monetary policies did the European states face before the EMU and experience currently, and how do the structures of the EMU address these challenges? This part also concentrates on the domestic and transnational actors, their preferences, and power structures. The second, discursive part of the analysis attempts to re-construct the discourse on the European level, identifying the actors, preferences, and coalitions. This analysis covers the period from the first negotiations on the EMU until the last important revision of the EMU in 2012.

## **Chapter 4: The European Economic and Monetary integration: features and explanation of dynamics**

### ***4.1. Globalization and economic policy***

Since chapter one has covered the general features of European integration, we can now focus on the economic and monetary policy field. Several attempts have been undertaken to explain the integration within this field, most of which refer to the globalization trend. Therefore, the following part begins with the question of how globalization influences the decisions in the economic and monetary policy field. In the economic sphere, globalization is characterized by the following aspects: concentration of enormous resources by the global corporations, internationalization of financial markets, growing sensitiveness of national economies to the international crises, transfer of know-how and technology to the developing countries, losses in competitiveness of the developed countries, and liberalization of production (see Held/Koenig-Archibugi 2003; Rodrik 2011; Sassen 2008; Crouch 2008; Zohlnhöfer 2009). The increased competition is an essential aspect of the economic globalization that affects the nature of a state, having political consequences. If the real consequences of globalization for different countries and social groups as well as different options to react to such consequences are open to discussion, the fact of globalization itself is generally not neglected (Held/Koenig-Archibugi 2003: 7ff).

The political consequences of economic globalization are reflected in transformation in state's objectives, administration, and balance of power within a state. The increased competition on the global scale leads to a partial or complete move of production and pressures on wages, taxation, and social benefits (Held/Koenig-Archibugi 2003; Crouch 2008). The burden of competition significantly reduces the chances for success for some enterprises, such as small enterprises (with small capital), which are less globalized but rather oriented towards the domestic market. The inability of some enterprises to compete on the global scale results in higher risks of increasing unemployment (Rodrik 2011: 86). Moreover, one should recognize the asymmetry between the groups who are able to cross the national borders (e.g. capital owners, highly qualified labour) and those who are unable (Rodrik 2000: 10-11). While some business groups have been strengthened in this setting, labour did not fully adjust to the new constellation as less mobilizable and less mobile (Schmidt 2002: 29). This illustrates the social costs of an open economy, which should be managed through regulation. Simultaneously, there is a competition of economic policy re-

gimes, where rating agencies evaluate and range the credibility of state bonds according to their own criteria for the 'right' economic policy.

Features of globalization de-nationalize areas which were originally constructed as national, and this is happening in a non-transparent and imperceptible way (Sassen 2008: 18). Globalization results in pressures on the levels of taxation, limits on redistributive policies within a state, as well as an increasing intervention in regulation and national legislation. For instance, the assessment by the rating agencies even gained the reputation of mechanisms of "governance without government" (Sassen 2008: 397, translation S.M.). The political elites fear the capital flight and reduced inward investment. Therefore, every policy initiative that can affect the investment rate is considered carefully, including decisions on interest rate policy, taxation, social and ecological regulation (Held/Koenig-Archibugi 2003: 4).

"Today there is a wide-spread concern that democracy is being 'hollowed out': formally, democratic institutions and procedures remain in place; substantively, the range of feasible options has shrunk as a result of the constraints imposed by international markets and the investors' threat of 'exit'" (Held/Koenig-Archibugi 2003: 5).

It deserves to be mentioned that globalization is not just an externally driven phenomenon. For instance, Sassen argues that globalization is equally driven internally, within a nation state, and influenced by the external factors and actors (Sassen 2008: 53). Although there are certain objective constraints rising through globalization, the latter does not mean the end of politics, and a government still has significant margins for manoeuvre (see Schmidt 2002; Zohlnhöfer 2009). The economic aspects of globalization do not directly cause shrinkage of the welfare state. It is rather a problem of democratic quality (Schwartz 2001: 17; Pierson 2001: 410).

Thus, globalization can potentially affect the democratic sovereignty and democratic quality of a nation state (Badie 2002: 130) because the exclusiveness of state authority and democratic responsibility erode through the dynamic of globalization. This situation leads primarily to an asymmetric involvement and participation of political groups representing a community (Sassen 2008). The institutional structure strengthens the advantages and requirements of certain economic and political actors, while weakening the other actors. Such asymmetric participation of actors makes the spread of globalization extremely partisan and in no way universal (Sassen 2008: 438).

There are growing gaps in the relations among the citizens, individual states, and the economic system at the regional and global levels. Globalization strains the re-distributive policies, resulting in decrease in a state capacity to meet the expectations of citizens that it will balance the unjust distribution of resources (Haltern 2005: 524). Crouch argues that this unresponsiveness leads to apathy from the side of the citizens, who do not want to be active in this system anymore (Crouch 2008: 34-35). The increasing distance between state and the citizens can be observed, for example, in the case of the shrinking welfare state that means not only a reduction of both social rights and state obligations but also of the frequency of interactions and interdependencies between citizens and their state (Sassen 2008: 511-512). Consequently, the social perception of democracy is becoming tenuous (Rodrik 2000: 83). Summing up, the authors of “Cosmopolitan Democracy” point out three gaps, which emerge from globalization. First, there is a gap between the formal domain of political authority and the actual economic system of production, distribution, and exchange, which, with its many regional and global networks, serves to limit or undermine the actual power of national political authorities. Second, there is a gap between the idea of state as an independent actor and the vast array of international regimes and organizations, which have been established to manage whole areas of transnational activity. Finally, there is a gap between the idea of membership in a national political community, i.e. citizenship, which bestows upon individuals both rights and duties, and the development of regional and international law that subjects individuals, non-governmental organizations, and governments to the new systems of regulation (Archibugi/Held 1995: 5-6).

Economic integration is often described as a way to react to the challenges of globalization. Both the powerful economic actors and governmental actors have interest in a geographical expansion, as it could create cheaper production opportunities and improve the economic growth, bringing benefits in tax revenues and employment. Hence, “the net benefits of global economic integration may be positive, but globalization would nevertheless be a disturbing phenomenon if its benefits were distributed unfairly among those taking part in it” (Held/Koenig-Archibugi 2003: 7). While actively eliminating trade barriers for all types of goods (negative integration), states are extremely passive in balancing this through regulation in the areas of equality, justice, and responsibility on a global scale (Sassen 2008: 439). The elimination of regulative barriers (through the negative integration) leaves a certain vacuum, neglecting the di-

versity of regimes and the dynamic within each member states. The lack of the positive integration inevitably leads to differentiation of the centre and periphery. While governments tend to ignore the necessity to sufficiently protect the citizens from the risks of the market (Rodrik 2000: 13), the unregulated globalization would constantly bring the weights on one side (Held/Koenig-Archibugi 2003: 18ff).

## ***4.2. The financial dimension of globalization and integration within the EMU***

### *4.2.1. Changing conditions of the monetary policy*

Regarding the financial dimension of globalization, the transnational economic regimes (incl. international organizations and foreign exchange markets) have increased pressure and restrained the capacity of a nation-state to regulate its own currency. In the situation of transnational financial integration, the global financial system impacts the state's capacity to formulate an independent and distinct macroeconomic adjustment policies. The pressures on monetary policy can spill over into increased burden on the domestic fiscal policy, as the external forces usually approach the domestic policies according to the norms of the neo-liberal economic order:

„globalization has served as a major rationale for governments to alter their countries' monetary policies by focusing on tight budgets, low inflation, and caps on public debt, deficits, and spending; their industrial policies by liberalizing the financial markets, deregulating the rules governing business, and privatizing public sector firms; and their social policies by cutting social spending, rationalizing social services, and increasing flexibility in labour markets” (Schmidt 2002: 13).

Although the financial market has no special channels to influence the governments, it is nevertheless able to discipline the governments in their economic policy (Sassen 2008: 419). For instance, it can influence public spending through raising the interest rates for the government bonds (Bell 2003: 172ff). Through estimation of the rating agencies, which rate states in the same way they review enterprises, government bonds are ranked by their credibility, causing competition between the bonds of different states. Therefore, a state with a significant public debt and deficits will have less financial flexibility based on the low rank of its bonds. Such judgement of investors on the macroeconomic and regulatory environment in a particular economy creates incentives for convergence towards the market-based adjustment policies and a particular type of macroeconomic policies (Underhill 2002: 44-45). Consequently, governments tend to follow the rules of the financial market, having more financial flexibility as a goal.



Moreover, currencies are financial assets, which are also tradable. The international monetary system is hierarchic, consisting of the central and peripheral currencies (McNamara 1998; Terzi 2007; Ponsot 2007). Currencies also compete with one another as the government bonds do. If a currency is not on the top of the hierarchy, it must adjust itself. For example, the peripheral currency can be under constant pressure of depreciation, which gives investors a reason to relocate their money elsewhere. There are two policy options for the peripheral currencies: they either follow the interest rate decisions of the recognised leader or unpeg their currencies from the stronger currency, running the risk of monetary instability (De Grauwe 2013: 156). The latter scenario is usually avoided:

“Historically, power to shape monetary and financial stability policies migrates to the central bank or banks in the major international financial centre or centres, creating ‘core’ and ‘periphery’ central banks. These centres are defined by the size, depth, and liquidity of their financial markets and by the significance of their domestic currencies in financial market trading and in central bank reserves. <...> Whether with or without explicit rule-based international coordination, ‘periphery’ central banks adjust to the actions of ‘core’ central banks and the expectations that they generate” (Dyson 2009: 28).

Since the late 1970s, monetarism dominates, setting the standards of a good monetary policy. Unlike Keynesianism, monetarism claims that governments are not capable of reaching the goals of economic growth and high employment, and the economy is able to bring itself in balance. According to this idea, the main goal of a national central bank must be low-inflation and a stable currency. As soon as some countries adopt the monetarist idea of inflation targeting as a paradigm for their monetary policy, the countries which continue to pursue Keynesian policies experience constraints and are forced to reform as well. The governmental interventions in the monetary policy lack credibility because the currency traders act on expectations about the economy and governmental policies as much as they follow the present-day policies and economic indicators such as foreign trade, economic growth, etc. (McNamara 1998). Such credibility is understood here to mean “the belief that a government is committed to an exchange rate regime and will stick to its low-inflationary path of policymaking“ (McNamara 1998: 16-17). Therefore, credibility is the cornerstone of the monetarist paradigm and should be guaranteed by an independent status of the central bank.

An increased capital mobility greatly complicates the design and implementation of the monetary and exchange rate policies. Usually, governments do not have fixed exchange rates or allow them to fluctuate freely but rather choose the middle way, allowing the rates to float within certain bands of value and intervening occasionally to influence the development (flexible exchange rates) (McNamara 1998). Such interventions can battle speculations in the currency markets; however, certain coordination of selling and buying and mutual lines of credit among the central banks are decisive for a success in achieving the desired rate (McNamara 1998: 16-17). Considering the fact that “international monetary cooperation or discord can have significant effects inside states, enabling or constraining societies in the pursuit of their national goals“, currency management itself and a political commitment to multilateral coordination with some other countries in support of the currency under pressure become crucial (McNamara 1998: 1, 16-17).

#### *4.2.2. European monetary integration*

In the early 1970s, the members of the European Community opted for a regional exchange rate regime, as exchange rate instability negatively affected the trade in their highly open economies. After the project of European “currency snake” in the 70s, the European Monetary System was established in 1979, evolving into the European Monetary Union that was introduced by the Treaty of Maastricht in 1992. Scholars developed several approaches in order to analyse and explain the features of integration within the EMU. These approaches can be classified into the following categories: economic rationality, agenda-setting by non-state interests, interstate bargaining, and the dominance of neoliberal ideas about monetary policy (see Hix 2005: 320ff, McNamara 1998: 23ff).

The logic of economic rationality can also be divided in three types: the optimal currency areas, the dynamics of internal market, and the transaction costs theory. The model of optimal currency areas (OCA theory) introduces three conditions for a welfare-improving monetary unification: first, the participating countries should not be subjected to divergent economic trends; second, flexibility of labour and goods markets; and third, a monetary union should be embedded in a budgetary union (De Grauwe 2013: 154ff). Regarding this model, there is a consensus in the scientific debate that the EMU does not represent an optimal currency area, mainly because of the asymmetric business cycles with a high risk of asymmetric shocks and the lack of

flexibility in labour market (see Tsoukalis 2003; Mulhearn/Vane 2008; De Grauwe 2009; Fatas 1998; Alesina et al. 2010; Andrews/Willet 1997). Therefore, as the starting conditions of the national economies participating in the EMU were different, some observers recognize the danger of asymmetric shocks that can lead to a deep recession and high unemployment as a consequence of monetary integration (see Forder 2004: 71-72; Fatas 1998: 165, 191; Alesina et al. 2010: 61-62; De Grauwe 2009: 12). Such concerns reflect a simple logic:

“had the interest rate been lower, growth would have been faster, unemployment would have been lower, the government deficit would have been lower, and the fears that prices might start falling... would have remained very much further away” (Forder 2004: 71-72).

For the member states, losing the monetary policy instruments without the option of inter-country budgetary transfers could mean intense and/or more immediate economic problems in the case of asymmetric shock, which would shift the burden of adjustment on labour markets (Tsoukalis 2003: 344). In such a scenario, a member state is left to cope largely on its own with the social security deficits, unemployment, and poverty in a climate of budgetary austerity (Schmidt 2002: 50). Therefore, the OCA provides arguments against the EMU rather than explains the current state of monetary integration in Europe.

The next explanation originates in the neo-functional spillover hypothesis, claiming that the benefits of the common internal market could not be fully achieved without the common currency. Moreover, the increasing internal trade would balance and compensate for the elimination of exchange rates as an instrument of macroeconomic policy (Hix 2005: 255). This explanation is therefore also linked to the transaction costs theory. Contrary to the OCA, the transaction costs theory provides a good argument in favour of the monetary integration in the EU: the uncertainty over currency values complicates the transnational economic activities due to the difficulties in calculating prices. Thus, further advantages of a currency union include facilitation of payment, removal of costs of exchanging currency, and significant reduction of the exchange rate risks (McNamara 1998). Also, the other common policy areas, such as the Common Agricultural Policy, would be simplified by the introduction of a common currency (McNamara 1998: 99). Nevertheless, this approach does not explain why the fiscal policies remained a prerogative of the member states, and why the membership is limited to a circle of some countries. In conclusion, none of these ar-

guments representing economic rationality explain why certain countries joined the monetary integration, and why the latter took on the features we can observe today.

Enterprises, supranational actors, and central bank governors are among the non-state interests that favoured the monetary union. The interest group theory claims that the “national policy choices can largely be understood as a function of government reaction to pressures from domestic groups representing specific interests within industry, labour, finance, and agriculture” (McNamara 1998: 32). Against this assumption, McNamara comes to the conclusion that neither transnational corporations nor small enterprises considered common currency as their vital interest and would lobby for it:

“Although the neoliberal policies of monetary rigor have had important effects on the macroeconomics of Europe, they have not been subject to intensive mass political debate or electoral contention, nor have they stimulated significant interest group politics” (McNamara 1998: 175).

Her argument seems to be misleading because transnational corporations in fact promoted the idea of a common currency through, for example, the Association for Monetary Union in Europe (AMUE), which was active between 1987 and 1999 and represented hundreds of leading European transnational corporations. Also, Fröhlich’s analysis suggests that the common currency was without any doubt desirable for enterprises, under the condition that the new currency is designed to be a stable one (Fröhlich 1991: 294). The Commission also represents the non-state interests that promoted the EMU. It can be argued that the idea and design of the EMU were first developed within the Commission, and especially, Jacques Delors exercised his influence to implement the three stages monetary integration process, which is otherwise hardly justifiable from the economic point of view and does not reflect any vital member states preference (Hix 2005). Delors was supported by the central banks’ governors who shared common beliefs about the proper monetary policy and would gain in independence as a result of the monetary integration based on the monetarist principles (Hix 2005).

Although chapter 1.1 already reviewed interstate bargaining and liberal inter-governmentalism in detail, this theory also provides an explanation of the monetary integration. From this perspective, the decision of state actors to pool and delegate sovereignty within the EMU is explained through “efforts by governments to constrain and control one another in game-theoretical language, by their effort to enhance the credibility of commitments” (Moravcsik 1998: 9). The crucial issue in this context

is that some countries were strongly influenced by the monetary policies outside their own borders. A decision of a central bank to increase the interest rates is usually taken as a 'national' decision, although it has potential to stimulate economic changes in other countries (Held 1995: 99). Consequently, the institutional design of the EMU was determined by the international bargaining power and local hegemony (Andrews/Willett 1997: 498ff). As Germany undoubtedly dominated within the previous monetary arrangements in Europe, creating a monetary union would mean a more equal forum and co-decision opportunity for the other EU members (Dyson/Featherstone 1999; McNamara 1998; Andrews/Willett 1997). Thus, an explanation of the institutional design of the EMU often refers to the Franco-German deal or a bargain between these two countries, which favored the creation of the EMU for different reasons and, therefore, were ready for significant concessions (Dyson/Featherstone 1999). The goal of the membership in the EMU meant implementation of significant domestic reforms for traditionally high inflationary countries, which previously suffered because of the strong currency of their neighbours and consequently implemented the strategy of inflation targeting, following their commitment to achieve the membership in the EMU. An example of such reforms is the adoption of domestic policies of budgetary consolidation and de-indexation (and other institutional reforms) (McNamara 1998). Without having the goal of membership in the EMU, these rash reforms would probably not be possible due to the high political costs (McNamara 1998: 162). The expected benefits included higher investment by virtue of a predictable and stable currency as well as significantly lower interest rates for national bonds on the financial market.

Finally, Kathleen McNamara provided a significant analysis, evaluating different explanations of the European monetary integration. Her main contribution to the scientific debate is the recognition of shared beliefs among policy makers as the corner stone of monetary integration, translating the effects of interdependence into political outcomes (McNamara 1998). The author insists on taking the domestic political process into consideration for a better understanding of the evolution of international economic regimes, as "the process of defining the national interest is political in both its execution and its outcomes" (McNamara 1998: 8). Because high and unregulated mobility of international capital flows does not allow the fixed exchange rates and domestic policy autonomy at the same time, McNamara claims that the governments were forced to search for an alternative to the traditional Keynesian policies

while experiencing increasing pressures caused by globalization and high cross-border capital mobility (McNamara 1998).

“The EMU is a solution to the challenges of economic governance in a world of high capital mobility where, paradoxically, member states can partly regain their lost monetary policy autonomy without creating exchange rate instability within the single European market” (McNamara 1998: 169).

Thereafter, the roots of the monetary integration would be located within the governmental elites and their beliefs about the macroeconomic strategy. The domestic political preferences play the central role in a monetary cooperation of the type created in Europe because, according to McNamara, a state would not be able to maintain its commitments (even motivated by the geopolitical concerns) unless the cooperative agreement is congruent with the prevailing domestic political preferences (McNamara 1998: 128, see also Andrews/Willet 1997: 485ff). It would be interesting to find out whether the evidence presented in the chapter six of this thesis would support or rather contradict McNamara’s explanation of integration within the EMU. Another important finding of hers is that “the macroeconomic record in Europe shows that the consensus of competitive liberalism can create exchange rate stability despite rising capital mobility, but it cannot assure politically acceptable levels of employment and growth” (McNamara 1998: 11).

#### ***4.3. The institutional dimension and mandate within the Economic and Monetary Union***

The idea of the EMU was first realized in 1992 with the Maastricht Treaty and is currently reflected in a number of legislative acts of the European Union’s primary and secondary law (for instance, Art. 119-144 TFEU, Art. 282-284 and 300-304 TFEU; protocols 12, 35, 36, 37, the Stability and Growth Pact, the Treaty on Stability, Coordination and Governance, the Statute of ECB, etc.).

The monetary part of the EMU is essentially represented by the ECB that consists of the Governing Council, made up of the presidents of the national central banks of the member states, and the Executive Board, which is embodied by six people appointed for the position for the term of eight years (Art. 283 TFEU). Within the EMU’s framework, the national central banks represent agents of the ECB in the member states (Mulhearn/Vane 2008: 95). Additionally, the ECB and the representatives of the central banks of the non-Euro zone member states together constitute the

European System of Central Banks. The primary goal of the ECB is price stability, and the secondary goal is support the community in realization of the goals of high employment level and constant, non-inflationary growth (art. 3 TEU). The main tasks of the ECB include definition and implementation of the monetary policy, management of currency reserves, operation of foreign exchange transactions, and organization of payment transactions (Moran/ Macartney 2009: 340). Unlike the European Court of Justice, the ECB's detailed mandate was the subject of negotiations and approval by the member states, and through the whole period before the Euro zone crisis, the ECB exclusively acted within its mandate. Both the Euro-group and the Ecofin also play an important role in the definition and implementation of economic and monetary policy within the EMU. The Euro-group refers to the informal meeting of the economic and finance ministers of the Euro zone members, including the president of the ECB and the president of the Economic and Finance Committee. All its decisions must go through the Ecofin, which has a legal personality and is composed of the economic and finance ministers of the EU member states. The Ecofin also partly decides about the exchange rates and formulation of general features of the exchange rates policy of the Euro zone.

The economic part is mainly located within the Council and the Ecofin. Articles 121 and 148 TFEU prescribe the coordination of economic policies, but the Council can only issue non-binding recommendations. These treaty provisions have been strengthened in 2011 through the amended European Semester, which is an institutional procedure for analysis, monitoring, and coordination of economic and budgetary policies of the member states.

The Stability and Growth Pact (SGP) is an instrument to provide the minimum necessary coordination of tax and budgetary policies, which otherwise belong to the member states' competences only. The original text of the SGP was amended in 2005 and experienced significant amendments again in 2011. The SGP was constantly under criticism:

“The academic literature generally provides little support to the fiscal discipline mechanisms embedded in EMU institutional architecture. At best, fiscal restraints are presented as useless, at worst, as counterproductive and, on average, as a ‘minor nuisance’... Most of the negative feelings rest on the potential costs induced by the lack of fiscal flexibility in response to country-specific shocks” (Beetsma/ Debrun 2004: 119).

The violations against the SGP were quite common among the Euro area members. The TFEU includes provisions for the extensive deficit procedure, whereas the Council has the final word to decide about the sanctions and a complaint to the ECJ was explicitly banned in the original legislation. The SGP was not only proved to have little influence but also did not motivate any structural reforms in the national economies (Eichengreen/ Wyplosz 1998: 69). The criteria of the SGP cannot be economically justified and are often considered to be of a political nature (De Grauwe 2013: 156).

Regardless of the criticism, in the course of the Euro zone crisis, some member states have insisted upon the strengthening of the SGP provisions through further EU legislation, and as a result the Euro-plus-pact, the Treaty on Stability, Coordination and Governance (TSCG), the six-pack<sup>7</sup>, and the two-pack<sup>8</sup> were adopted. Benz defined 'Euro crisis' as "an extreme fiscal imbalance in the Euro-area that finds expression in excessive debts in some member states and soaring interest rates burdening the governments of these states" (Benz 2013: 132). Having the goal of enhancing the economic governance and competitiveness, the Euro-plus-pact introduces a number of rules on a stronger surveillance and policy coordination between a member state and the Commission. It also includes the provisions for monitoring and surveillance of the major budgetary expenditures (including pensions, health care, social benefits, and education). The member states commit to set targets within the programmes, whose implementation is monitored by the Commission, and consult their European partners on any major economic reforms before their adoption. However, there is no legal mechanism to stop the reforms in case the Commission or another member state does not approve them.

---

<sup>7</sup> The six-pack represents a package of legislation, including (1) Regulation No. 1175/2011 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies, (2) Council Regulation No. 1177/2011 on speeding up and clarifying the implementation of the excessive deficit procedure, (3) Regulation No. 1173/2011 on the effective enforcement of budgetary surveillance in the euro area, (4) Council Directive 2011/85 on requirements for budgetary frameworks of the Member States, (5) Regulation No. 1176/2011 on the prevention and correction of macroeconomic imbalances, (6) Regulation No. 1174/2011 on enforcement measures to correct excessive macroeconomic imbalances in the euro area.

<sup>8</sup> The two-pack includes Regulation No. 473/2013 on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area and Regulation No. 474/2013 on the strengthening of economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious difficulties with respect to their financial stability.



While the Euro-plus-pact has a voluntary character, the TSCG and the other legislative acts mentioned above are legally binding for all member states with just a few exceptions<sup>9</sup>. Including a set of rules in order to foster budgetary discipline, the TSCG builds on and reinforces the SGP. Its significant part, known as the Fiscal Compact, allows deviation from the SGP criteria in the exceptional circumstances. Nevertheless, the main idea behind the TSCG is to create a framework that would allow the EU institutions, particularly the Commission, to identify an excessive budgetary deficit as early as possible and push forward structural reforms in the member states with budgetary deficit. Moreover, the voting procedure in the case of sanctions for excessive deficit has been changed to a negative qualified majority, and the member states gained the right to bring the case to the ECJ if a member state with a deficit failed in the implementation of corrective mechanism.

Unlike the Euro-plus-pact, which gives quite vague provisions on economic governance, the six-pack and the two-pack are of a rather technical character. Both these legislative packages contain detailed rules on accounting, economic statistics, macroeconomic and budgetary forecast, timeline for the European semester, a system of sanctions for violations of the SGP and manipulation of statistics, etc. Their main goal is to clarify and extend the provisions of the SGP and the TSCG.

Finally, the EMU was extended by the European Financial Stability Facility (EFSF), which had a temporary character at first and was updated to a permanent European Stability Mechanism (ESM) later. Its effective lending capacity reaches 500 billion that are achieved through the member states contributions. The activation of the ESM follows the unanimity vote and implies strict conditionality. The ESM is based on two facilities: loans and primary market support facility. The latter enables its board of governance to acquire public bonds on the primary market. According to the formal provisions, the Commission must negotiate a macro-economic adjustment programme with the IMF and in liaison with the ECB. This programme represents conditionality for loans and must also be approved by the ESM board of governors. On the proposal of the Commission, the Council can decide about a post-programme surveillance, which can be maintained for the period as long as 75% of the financial

---

<sup>9</sup> The United Kingdom and the Czech Republic opted out from the TSCG and some other legislative acts.

assistance has not been repaid. The European Parliament has only the right to be informed about the decisions of the ESM board or the Council.

#### ***4.4. European discourses on the EMU: discursive contestation and bargaining power***

In order to be able to evaluate the contestation and representativeness on the EU level, it is necessary to return to the moment when the EMU was first negotiated in order to track the establishment and development of the dominating discourse on the EMU. Such re-construction of the discourse on the EMU from its origins would also reveal different perspectives on the features of an economic and monetary union that are often rooted in the political culture, identity, and the domestic political consensus. At the same time, it would enable us to identify the transformation of the discourse, including those ideas behind the EMU that disappeared from the discourse and those that proved to be persistent. The following analysis is based on the secondary literature and represents the base for the later comparison with two domestic discourses (in chapters 5 and 6). Three phases of contestation can be identified in the European discourse on the EMU, whereas each of these phases resulted in an introduction of new regulations, establishing one of the competing sub-discourses in the legal domain. It must be pointed out here that these three periods should not be seen as the beginning and the end of certain discourse or sub-discourse. In my understanding, discourse should rather be imagined as a river, which can get fuller or thinner, depending on the amount of precipitation, for example. In this case, discourse continues to ‘flow’ and never disappears completely while the three phases represent the moments of it being ‘fuller’ than usual.

##### *4.4.1. Phase one*

The first phase covers the period in the beginning of 1990s, when the essential features and institutions of the EMU were discussed and negotiated. Two competing perspectives on the EMU can be identified, representing two coalitions – France, Italy, Belgium, Greece, Portugal, and Ireland against Germany, the Netherlands, Denmark, and the UK. Although the countries belonging to one block did not have a

common negotiating position, their perspectives were essentially similar<sup>10</sup>. Usually the positions of Germany and France are scrutinized in the literature as contesting, whereas the consensus between these two countries is regarded as crucial for an agreement and the Treaty of Maastricht.

How did the positions of these two countries differ during the negotiations on the EMU? According to Heisenberg, there were two central issues where the stances of the member states diverged: “a possible ‘two-speed’ EMU and how to ensure that fiscal power, which would remain at the national level, would be consonant with monetary policy set by the ECB” (Heisenberg 2006: 240). Two aspects were central in the French proposal: legitimation of the EMU through implementation of a common economic policy and convergence in the real economy (see Dyson/Featherstone 1999; Leuffen et al. 2013). According to the perspective of the French government during the negotiation, EMU required a common economic government that would act as a political counterweight to the ECB and express the growth goal, balancing the monetary stability goal (Heisenberg 2006; also Dyson/Featherstone 1999: 66; Marsh 2011: 134). Starting from October 1990, both the President François Mitterrand and the Minister of Economy and Finance Pierre Bérégovoy promoted the idea of a democratic *gouvernement économique*, “a political pole”, “a centre of economic power”, which was meant to balance the technocratic “monetary pole” of the European Central Bank (Dyson/Featherstone 1999: 208-211). It was proposed to establish a stronger role of the European Council and the Ecofin, which should have gained power to decide on the fiscal and structural aspects of economic policy, providing economic policy guidelines and defining the exchange-rate policy by a qualified majority (Dyson/Featherstone 1999: 208, 69). In November 1990, Bérégovoy emphasized in several communications that the idea of an independent central bank was unacceptable for the French government due to “the absence of respect for the views of elected politicians” (Dyson/Featherstone 1999: 211). President Mitterrand pointed out in 1989:

“I am not hostile to Central Bank, but to certain of its modes of operation. The Bundesbank is completely beyond the control of governments. Our Central Bank (Banque de France) is independent, but it is the Government that defines the economic and monetary policy. How can we bring the Germans to accept progress on the road to monetary union? I have the impression that if they had the guarantee that monetary union would not endanger their good economic health, they would

---

<sup>10</sup> Spain, Greece, Portugal, and Ireland also formed another coalition, demanding economic convergence through an access to a cohesion fund (Martin 1993; Dyson/Featherstone 1999).

be ready to go forward. But I hesitate to make this concession. It is dangerous that the Central Bank, in the absence of a political authority, should have sovereign power. The (European) Monetary System is already a German zone. But the Federal Republic of Germany does not have authority over our economies. With the (European) Central Bank it would have it” (quoted in Marsh 2011: 132).

Also in the official paper prepared by the Ministry of Economy and Finance of France and presented to its European counterparts in December 1990, it was stated that “the independence of the monetary institution can only be conceived within an interdependence with a strong ‘gouvernement économique’” (Dyson/Featherstone 1999: 223-224). Dyson and Featherstone argue that the French idea of *gouvernement économique* was deeply rooted in the republican tradition where both economic and exchange-rate policies belong to the prerogatives of the elected politicians:

“Ultimately, the nation was the source of political values; government had to express, balance, and reconcile those values. It needed to be vested with the power to act on behalf of the nation. Rules were ultimately a matter for political determination. Hence in approaching the Maastricht negotiations French conceptions of the appropriate balance between discretion and rules differed from German conceptions. French politicians like Mitterrand and his Finance Minister Bérégovoy were determined to ensure the primacy of the political level over technocrats” (Dyson/Featherstone 1999: 69).

With the launch of the EMU later, the French government was preoccupied exclusively with the aspects of European social policy and fiscal harmonization (Dyson/Featherstone 1999: 70). However, during the negotiations it attempted to establish three main principles of the EMU: viability, democratic quality, and European responsibility (Dyson/Featherstone 1999: 229). It was argued that this approach corresponded to the one in the Delors Report, which recommends the integration of economic and monetary policies in parallel, establishing a political structure to balance the independence of the ECB and ensure a dialogue on monetary and economic policies (Dyson/Featherstone 1999: 229).

As a result of negotiations, Eurogroup and Ecofin were created but remained strongly intergovernmental with the member states’ responsibility for economic growth. The Council gained the competence to decide on the exchange rate policy, however, under the conditions of unanimity and respect of the primary objective of price stability.

“A range of French initiatives ran into opposition: notably that the sole subscribers to, and holders of, the capital of the ECB should be member governments; that the President of the Council should be able

to suspend ECB decisions for two weeks and to present motions for deliberation to the ECB's governing council; and that council members should be accountable to national parliaments as well as to the European Parliament. These proposals were firmly rejected by the Germans and the Dutch, notably at the IGC on 8 October..." (Dyson/Featherstone 1999: 241-242).

From the very beginning of the negotiations, the government led by the Chancellor Helmut Kohl insisted upon the creation of an independent European Central Bank, with the primary goal of price stability (see *Financial Times* from 23.06.1988, quoted in Heisenberg 2006: 237). The German negotiating position was in line with ordoliberalism, which was strongly established within the Ministry of Finance and the Bundesbank (see chapter 5.1), reflecting the rule-based approach with the focus on economic policy principles, strict convergence criteria, and automatic sanctions for excessive deficits. Dyson and Featherstone point out that such a rule-based approach was in contrast "with a French preference for discretion" (Dyson/Featherstone 1999: 282). As the German Draft Treaty proves, its position was promoting economic stability as well as an open and competitive market economy (Dyson/Featherstone 1999: 372, 411). Although later rejected by the other member states, the German Draft Treaty originally proposed a creation of a European cartel office, regulations on the free setting of prices in the context of open markets, requirements of privatization, and freedom of collective bargaining (Dyson/Featherstone 1999: 411).

A strict economic convergence criteria that would guarantee the convergence before the membership in the EMU was central for the German negotiating position (Heisenberg 2006; Leuffen et al. 2013; Dyson/Featherstone 1999: 432). The other countries represented by France and also the Commission spoke out in favour of some flexibility in the interpretation of the criteria and sanctions for violation (Dyson 2002). Nevertheless, five criteria were formally established, which include (1) a maximum 3 per cent budget deficit (of GDP), (2) a maximum 60 per cent government debt (of GDP), (3) a deviation of inflation rate of a maximum of 1.5 per cent, (4) a deviation of long-term interest rates of 2 per cent compared to the average inflation of the three best-performing countries, and (5) two years of membership in the EMS without devaluing (Heisenberg 2006: 241). In the mid 1990s, the German government further promoted budgetary discipline in the form of a stability pact, whose main purpose was to enforce the implementation of the criteria also after the accession to the EMU. According to the German position, the sanctions for violating the convergence

criteria should be automatic and strict enough in order to be effective (Heisenberg 2006).

Although the German negotiators generally did not reject the idea of economic policy coordination, they opposed any detailed formulation and the French concept of *gouvernement économique* (see Dyson/Featherstone 1999: 411). Both elements were considered likely to threaten the independence of the ECB (Leuffen et al. 2013: 159).

The structural reality strengthened the negotiating position of the German government where “its dominating position in the EMS and very sceptical domestic public” enabled the negotiators “to establish both independent monetary policy institution and its macroeconomic policy preference in Europe” (Leuffen et al. 2013: 160; also Heisenberg 2006: 245). Therefore, the period of discursive contestation around the negotiations of the EMU ended when the final agreement on the Treaty of Maastricht has been reached in February 1992, and the EMU essentially reflected the German preferences supported by the Netherlands and Denmark<sup>11</sup>. Because the aspects of growth and employment were absent in the final design of the EMU, the latter represents a macroeconomic regime that does not exist anywhere else, in any of the member states. Instead, in the macroeconomic policy, the discourse exclusively prioritized competition, budgetary discipline, and monetary stability. The final result of negotiations established three asymmetries. First, in the discourse, economic and fiscal policies were subordinated to the goal of monetary stability. Second, disproportional pressures of adjustment emerged, with higher adjustment costs for some member states. Third, the EMU created a bias of economic and monetary policy against the social policy, when economic and monetary policies became a subject of European commitments, unlike social policies, which were absent from its agenda.

#### 4.4.2. Phase two

The second, short, and less intense phase of contestation in the EMU discourse was triggered by the excessive deficit procedure against the two biggest economies in the Euro area – Germany and France. In fact, by 2003, Germany, France, and Italy had already violated the provisions on budgetary deficits. The anti-SGP sentiments were strengthened by the period of very low growth in the Euro zone following intro-

---

<sup>11</sup> The UK opted out during the negotiations of the EMU in 1991, and Denmark opted out after the referendum results rejected the membership in June 1992.

duction of the common currency (Blavoukos/Pagoulatos 2008). The President of the Commission Romano Prodi, speaking of the SGP, even allowed himself to openly call it “stupid”, yet the member states are obliged to follow its rules (Heisenberg 2006: 249). In June of 2003, the French Minister of Finance refused to change the expansionary budget, arguing that growth and employment were more important than the pact (Heisenberg 2006: 249). This certainly challenged the priority status of the budgetary discipline and of monetary stability, as well as the assumption that they automatically lead to growth. Simultaneously, the German government referred to importance of the German unification and its costs as the reason why the country could not realize its SGP commitments (Blavoukos/Pagoulatos 2008). Therefore, the problem of the pact was not only its lack of enforcement mechanisms<sup>12</sup> but also the fact that it simply failed to be convincing as the government’s primary goal. It has been criticized for lack of flexibility and especially for not taking into consideration the domestic economic cycles (Eichengreen/ Wyplosz 1998). Nevertheless, abandoning the pact completely or essentially departing from its orthodoxy would have sent a negative signal to the financial markets and endangered the member states’ credibility. Therefore,

“some Member States (most notably Germany and France; Greece to a lesser degree) engaged publicly in rhetorical adherence to the strictest SGP orthodoxy in order to enhance the credibility of their national macroeconomic policy. Paying lip service to SGP orthodoxy was tantamount to free-riding on the strictness of the Pact as a collective good – before denting it subsequently. At least these three governments employed the debate instrumentally to demonstrate both determination and ability to control their own public finances” (Blavoukos/Pagoulatos 2008: 260).

Also, the leaders of Italy, Spain, the Netherlands, Portugal, Poland, and Estonia, although each of them for different reasons, called for sound budgetary policies and application of the SGP rules in a joint letter (Financial Times from 16.02.2004, quoted in Blavoukos/Pagoulatos 2008: 260). The situation where France and Germany could neither accept the sanctions against them for violations of the SGP nor abandon the SGP completely resulted in the reform of the SGP. The flexibility of the latter has been increased and the excessive deficits procedure amended to consider the reasons or source of the excessive deficit in order for the sanctions to be applied.

---

<sup>12</sup> Germany and France successfully used their diplomatic weight in the Council in order to prevent the implementation of sanctions against them.

The SGP was reformed, despite the protest from the side of the ECB. However, within the framework of the EMU, a powerful independent institution of the ECB was created, which constantly advocated and encouraged neo-liberal reforms in the member states. It first constitutionalizes the new European economic order, writing into “constitutional stone the autonomy of European monetary policy from democratic scrutiny and control” (Hueglin 2002: 261). It then announces its doctrine, “to reduce the government size and presence in the economy, and make the system more flexible by reducing labour market rigidities and cutting welfare-related public expenditures” (Fitoussi/Creel 2007: 212). The ECB, therefore, translates an image of the ‘proper behaviour’ aimed at modifying the identity of actors on the national level. To sum up, this short period of contestation did not challenge the main principles of the EMU, but it did undermine the application of the budgetary discipline provisions of the SGP.

#### *4.4.3. Phase three*

Finally, the third phase of contestation in the EMU discourse started with the Euro zone crisis. The course of the Euro zone crisis brought back the old political cleavages among the member states, and again two visions re-appeared: one of fiscally conservative Northern European countries led by Germany, including the Netherlands and Finland; and one of France and Southern European periphery, including the countries with higher levels of debt, Italy, Spain, Greece, Portugal, and Ireland. While both groups of member states promoted the idea of common economic policy and growth, their understanding of priorities and features of European economic policy diverged significantly. Discussing the topic of economic growth, the group led by France argued for Keynesian type of measures, while the Northern countries argued for the orthodox competitiveness oriented measures (Vail 2015: 148). As Schwarzer points out, there is a fundamental difference in regard to austerity and budgetary policies in the times of low economic growth. While in Germany, austerity and decreasing public expenditures are preferred to an increase in taxation because it is expected to increase the trust of private economy and investors, the same measures in France are linked to fears of falling demand, as growth of the French economy is more strongly dependent on the domestic consumption (Schwarzer 2015: 131). In France, sinking wages and prices are not regarded positively as a sign of increasing competi-



tiveness but negatively as a sign of increasing unemployment and of growing danger of a recession (Schwarzer 2015: 131).

The former French President Nicolas Sarkozy emphasized solidarity and revived the original idea of the common economic governance and deeper fiscal policy coordination promoted by France during the negotiations of the EMU (Vail 2015: 148). The central concern of the French government was stabilization of growth (Schwarzer 2015: 131). A co-equal partnership between political leaders and monetary policymakers at the ECB would possess legitimacy and manage the fiscal policy (Vail 2015: 151-152). Moreover, according to the position of France and the Southern countries, the EMU should include a permanent monetary fund and eurobonds – the bonds issued by the Euro zone as a whole rather than any individual country (Leuffen et al. 2013). Finally, it was also suggested to reform the no bail-out clause of the Treaty, enabling the ECB to purchase the bonds from the primary market (Leuffen et al. 2013). Both the idea of eurobonds and the change in ECB's mandate would enable financial transfers from wealthier to less wealthy member states (Leuffen et al. 2013).

The anti-austerity discourse strengthened once again in the summer of 2012 when Francois Holland became the new President of France. This was also reflected in the attempt to create an anti-austerity coalition that would be able to counter-balance Germany and its allies (Vail 2015). Such a coalition included Spain, Portugal, and Italy (once Matteo Renzi became the leader of the Italian government). Moreover, Holland's government strongly advocated the introduction of eurobonds and demanded European measures to stimulate the economic growth (Vail 2015: 156).

The Northern countries led by Germany claimed that the responsibility for solving the crisis lies on the member state level. It is common for the German government to give its own example where Germany enormously gained in competitiveness through austerity, the Agenda 2010 reforms, and wage suppression (Schwarzer 2015: 128). Therefore, it is argued that the member states with the debt problems must do the same. Newman provides following quote by Wolfgang Schäuble, the minister of Finance, from the year 2013:

“Ten years ago Germany was the “sick man of Europe”. We had to tread a long and painful path to become today's engine of growth and anchor of stability in Europe. We too had extremely high levels of unemployment, even long after we started to adopt urgently necessary reforms. But without these reforms there can be no sustainable growth” (quoted in Newman 2015: 133).

Also, the Foreign Minister of Germany Guido Westerwelle affirmed: “Our success could serve as a model for our partners” (Meiers 2015: 25).

What this group of countries described as common economic governance is basically strengthening and reinforcement of the existing principles of the SGP, including fiscal discipline and budgetary austerity. The list of measures includes debt clauses in all member states’ constitutions, automatic sanctions for violation of the SGP, and strengthening of the procedure of economic surveillance of national budgets. Germany rejected any form of ‘communitarization’ of the public debt, such as eurobonds and change in the mandate of the ECB (Leuffen et al. 2013: 166). In fact, preservation of the independent status of the ECB was crucial for the German government (Vail 2015: 151-152). Despite the different points of view, the principles of budgetary discipline were incorporated in the legal acts mentioned in the chapter 4.3 – the Euro-plus-pact, the Treaty on Stability, Coordination and Governance (TSCG), the six-pack, and the two-pack. Consequently, the austerity discourse strengthened its positions as the solution for the Euro zone crisis.

Concerning the European institutions, especially the European Commission and the ECB, they generally continued their earlier, pre-crisis discourse, demanding from the member states more efforts on the way to budgetary consolidation, structural reforms, privatization, and further liberalization of their economies (European Commission 12.01.2011, Barroso 12.01.2011). Jean-Claude Trichet, the former President of the ECB, asserted that the common currency requires the stability oriented financial and economic policy (Trichet 17.02.2011). According to him, the root of the problem lies in violations of the Stability and Growth Pact by some member states and in ineffectiveness of the surveillance mechanism (Trichet 17.02.2011). In December 2012, four presidents together (the Council represented by Van Rompuy, the Commission - by Barroso, Euro group – by Juncker, and the ECB – by Draghi) prepared the report “Towards a genuine Economic and Monetary Union”. The presidents demanded an integrated financial framework, an integrated budgetary framework, an integrated economic policy framework, and strengthening of the democratic legitimacy and accountability (see Schwarzer 2015: 126). According to the report, an introduction of the single financial supervision mechanism is necessary in order to prevent a banking crisis in future. In this report, an integrated budgetary framework is described in terms of sound budgetary policies, economic coordination, and surveillance. The report explicitly encourages the member states to implement structural re-

forms, contributing to higher efficiency of labour and product markets that is demanded by the EMU. The authors emphasize the necessity of risk-sharing tools on the European level, but their application is attached to approval of the reforms recommended by the EU institutions. The described integrated economic policy framework is essentially based on implementation of the existing agreements, mainly the SGP. Finally, the report concludes with the democratic aspects, such as the requirement of national debates on priority measures and approval of the measures by the parliaments, stronger involvement of the European Parliament, provision of information, transparency, and reporting to the national parliaments:

“One of the guiding principles is that democratic control and accountability should occur at the level at which the decisions are taken. <...> Ultimately, these far-reaching changes undertaken by the European Union in general and the Economic and Monetary Union in particular require a shared sense of purpose amongst Member States, a high degree of social cohesion, a strong participation of the European and national parliaments and a renewed dialogue with social partners” (“Towards a genuine Economic and Monetary Union”: 16-17).

While the European Commission certainly lost some of its influence under the circumstances of an increasingly intergovernmental process of the crisis management, the ECB started playing a stronger role. In the period in which the governments could not agree on the right measures, causing distrust of the markets, and despite the Treaty provisions, the ECB introduced its new instrument in May 2010 – Outright Monetary Transaction (OMT). The latter enabled the ECB to purchase the member states’ bonds on the secondary market. In 2012, the president of the ECB Mario Draghi declared that the ECB would do “whatever it takes” to protect the Euro zone from the collapse, adding “and believe me, it will be enough” (Draghi, 26.07.2012).

Table 3: The European discourse on the EMU in three phases

	1st phase		2nd phase	3rd phase	
	France, Italy, Belgium, Greece, Portugal, Ireland	Germany, the Netherlands, Denmark, the UK	Germany, France, Italy	Germany, Finland, Austria, the Netherlands	France, Italy, Greece, Spain, Portugal, Ireland
Two-speed EMU	✘	✓	-	-	-
European economic policy	✓	✘	-	✘	✓
Primacy of political over technical monetary decisions	✓	✘	-	-	-
Strict nominal convergence criteria	✘	✓	✓	✓	⊖
Automatic sanctions	✘	✓	✘	✓	⊖ ✘
Absolute priority of the budgetary discipline and of the monetary stability (the SGP criteria)	-	-	✘	✓	✘
Austerity during the periods of no or low growth	-	-	✘	✓	✘
eurobonds	-	-	-	✘	✓
Independence of the ECB	✘	✓	-	✓	✘

✓ - agreed/ promoted; ✘ - disagreed/ rejected; ⊖ - not central/ absent

## Chapter 5: Germany

### 5.1. Economic and monetary policy in the Federal Republic of Germany before the EMU: the Bundesbank, stable currency and the German economic policy paradigm in the context of de-centralized polity with inclusion of social partners

#### 5.1.1. *The German Bundesbank: mandate and institutional context*

Similarly to the ECB, the Bundesbank's structure consisted of a council, a board of governors, and the managing boards of the regional central banks, whereas the council acts as the main decision-making body. The law that establishes the central bank in Germany, the Bundesbankgesetz from 1957, describes the original structure, tasks, and instruments of this institution. According to §2 of this law, the Bundesbank manages the circulation of money and supply of credit to the economy with the purpose of securing the currency and arranging the domestic and foreign monetary transactions.

The design and paradigm of the newly created Bundesbank were significantly affected by the previous experience of hyperinflation in 1923. The inflationary and hyperinflationary periods of the Weimar Republic left awareness among the elite and the population of its devastating consequences for the economy and for society (Crouch 2000a). Therefore, there was a broad consensus among all main actors on the monetary policy goals, whereas they were simultaneously committed to contributing to the re-building of the state (Crouch 2000a). Moreover, the trust and authority gained by the Bundesbank among the population over the years were crucial for its active involvement in the political life of the country. Finally, the hard currency represented an economically stable state and soon became a part of identity in Germany.

The Bundesbank is an institution where ordoliberalism was and remains the dominating approach. But the ordoliberal tradition is also strongly entrenched in both German governing institutions and their social partners (Young 2014: 278). The ordoliberal paradigm implies a strong rule based approach and strengthening competition as the central goal of a state in economic policy. According to this paradigm, a state must provide a constitutional framework, a certain order within which market forces can operate freely (Van Esch 2014). Ordoliberalism is often presented as a 'third way' between the hands off liberal approach and socialistic politics. The requirement of sound money represents a fixed point in such order:

“When taken as an ideal type, the Ordoliberal view is characterized first and foremost by a belief in the primacy of price stability ('sound

money’), which is the guiding principle by which all other policy-measures are assessed. Crucially, in the eyes of the Ordoliberal, there is no trade-off between price stability on the one hand, and employment and economic growth on the other” (Van Esch 2014: 289).

Nevertheless, the ordoliberal policy paradigm has never been exclusive in Germany. As Young convincingly argues, in fact, it is exactly the combination of the ordoliberal and social (Keynesian) policies that provided strong economic growth in Germany during the post-war period (Young 2014).

The high level of social support for the Bundesbank was essential for its superior performance because “when a public believes that its central bank is competent – and that its role is justified even when its decisions are unwelcome – it can bring about changes in private market behaviour at far lower cost” (Malcolm/Lord 2000: 250). After World War II, there has always been a positive attitude towards the independent conduct of monetary policy and a general support for the low inflation rates among the German population and by the organized interests, such as trade unions and employers’ organizations (Verdun/ Christiansen 2000: 165; see also Woll 1991).

The context of how monetary policy was conducted in Germany included the interactions of the Bundesbank with the government, trade unions and business organizations. Scholars fairly define central banks as “institutions independent of, but not from government” (Siklos/Bohl 2005: 406). The law described the Bundesbank as “independent of instructions” from the federal government but expected to “support the general economic policy” of the government (Bundesbankgesetz 1957, § 12, translation S.M.). This clause opens opportunity to debate the appropriateness of a monetary policy decision. Although the government did not possess any mechanism to overturn the Bundesbank’s decision, the former could request to postpone a monetary policy decision if the government disagreed with it. Nevertheless, this power was never formally invoked (Siklos/Bohl 2005: 397). In its turn, the Bundesbank was expected to remain in dialog with the federal government, providing advice on “monetary policy matters of major importance” (Bundesbankgesetz 1957, § 13, translation S.M.).

It is crucial that the public played a key role in the relationship between the Bundesbank and the government. For both institutions, the appeal to the public would be justified, depending on the degree of the public support (Lohmann 1998). The government did not pressure the Bundesbank to accommodate its electoral or party-political demands because the latter could appeal to the public. If the Bundesbank

publicly disagrees with the government in the situation of weak popular support of the government's economic policies, vulnerability of the latter would be increased. But if the government's policies had already become popular, the bank would risk its independent status by publicly disagreeing with them (Lohmann 1998: 407). Under such circumstances, the Bundesbank preferred to reassert its independence in public but generally remained in continuous dialog with the federal government (Siklos/Bohl 2005: 398). Therefore,

“a formally independent central bank will be able to follow a sound monetary policy only if elected politicians (and ultimately voters) want such a policy; or if there exists a coalition of inflation-averse interests politically capable of protecting the integrity of the institution against inflation-prone politicians” (Lohmann 1998: 443).

From my point of view, it is important to consider the context of the German politics in order to understand the central idea behind Germany's monetary policy and the role of the Bundesbank. There are two main aspects that I would like to emphasize. First, the German polity is characterized by horizontal and vertical decentralization. Also, the mode of economic governance in Germany is based upon the involvement and cooperation of organized interests (business and trade unions). The second aspect concerns the main direction of the German economic policy and its export-oriented nature.

To begin with the embeddedness in the institutions of the German federalism, Länder, the federal Parliament, and the federal Government each nominated members of the council of the Bundesbank. Moreover, the formal independence of the Bundesbank was protected by this embeddedness and “by the federalist components of its decentralized organizational structure” (Lohmann 1998: 401). Dyson emphasizes the provincialism of the Bundesbank, which

“reflected the firm political roots of the Bundesbank council and organization in the German federal system, the hostility to creating a single powerful German financial market centre in Frankfurt, and the state central banks' tendency to protect the interests of the public savings banks and hence to be cautious on financial market liberalization” (Dyson 2009b: 141).

Moreover, as it has already been mentioned above, the Bundesbank functioned in the climate of corporatism and social market economy where the central bank “stood beyond the reach of organized interests – not in any power of the corporatist actors to influence the Bundesbank's behaviour” (Crouch 2000b: 210). For instance, the attitude of the Bundesbank strictly against the increase of inflation rate forced the bar-

gaining partners to reach deals, building moderation into their own demands in order to avoid a defensive counteraction of the Bundesbank (Crouch 2000b: 210). The design and goals of the Bundesbank reflect preoccupations of the period in Germany after the World War II. The capacity of the Bundesbank to act as counterweight to the market-interfering tendencies of the corporatist economy was as important in the German context as the control of inflation. In fact, the central bank exercised the signalling power, while “the trade associations were needed for industrial recovery; labour market corporatism was needed to overcome class conflict and also to mark a complete break from Nazi intolerance of labour’s right to organize” (Crouch 2000a: 13).

The mutual accommodation between the actors was possible due to their determination to behave strategically and regard the national economic interest in the context of social market economy where opposing forces are required to coexist (Crouch 2000a: 13) and the state’s role is enabling rather than either withdrawn or imposing. The governmental discourse

“emphasized the liberal nature of the economy, the federal state’s hands-off approach to industry and its limited powers with regard to the economy – passing over the Länder’s larger involvement in local industrial policy – and the Bundesbank’s role as the independent guardian of the stability of the currency and, by extension, of the economy” (Schmidt 2002: 288).

However, it also acknowledged the autonomous cooperation of business and labour as well as the generous welfare state (Schmidt 2002: 288). The establishment of coordinated or managed capitalism in the post-war period reinforced and encouraged a consensus-oriented political system where “an enabling state is linked to an evolutionary view of economic policy, one that reflects the changing needs of economic actors and the outcomes of their interactions” (Dyson 2003: 214). Since the early 1970s, the *Modell Deutschland* was aimed to enhance the competitiveness through the corporatist arrangements, simultaneously targeting austerity and modernization (Jessop 2014). The integration of the unions into crisis management created a shared responsibility for its economic and political costs (Jessop 2014). The neoliberal turn in the beginning of 1980s introduced some adjustments but preserved a largely neo-corporatist and neo-mercantilist strategy (Jessop 2014: 252). The transformation of the German post-war corporatism started long before the introduction of the common currency, and it is linked to globalization (as described in chapters 4.1 and 4.2). It is not so



much the reforms of institutions that mark transformation of the German corporatism but rather the evolution of the industrial relations and organisational change (Eichhorst 2015: 52). Therefore, the transformation of the German corporatism is mainly the result of adjustments driven by the pragmatic strategies of actors. The changed economic circumstances led to a major reversal in the strategies of employers (Baccaro/Howell 2011: 539). The industrial relations experienced dramatic transformation through change

“in the practices and functioning of works councils, and the erosion and retreat of collective bargaining coverage, trade unions, and employer associations. Escape routes have permitted employers to opt out of once dominant industrial relations practices without being forced to dismantle them” (Baccaro/Howell 2011: 539).

Finally, it must be mentioned that the connections between the political and business elites in Germany do not always take place within the democratically moral and legal domains. As in many other countries, the phenomena of corruption, clientelism, and patronage are also present in Germany. It is argued in the literature that corruption in a strict sense, as exchange of political and administrative resources for economic resources, represents a problem mainly on the local government level (Darge 2009: 78). However, lobbying as a grey zone between the official representation and corruption is widely spread on the regional (Landesebene) and federal levels (Balser/Ritzer 2016). Although law does not prohibit lobbying, at its core, it still represents privileged access to decision-makers and an exchange of a service for a reward. In Germany, lobbying often happens beyond the public space through the personal relations, networks, lobby agencies (who often keep their clients secret), think tanks, and foundations (Balser/Ritzer 2016).

To sum up, federal roots, independence of but dialog with the federal government, public trust, as well as its position above all organized interests established the Bundesbank as a key actor in the economic policy. Nevertheless, the Bundesbank existed “alongside powerful political and wider institutional forces: democratically elected governments with powerful heads; national organizations of different business sectors capable of articulating their problems and needs to national mass media” (Crouch 2000a: 11). These constraining and monitoring institutions either do not exist or do not represent the same challenge on the EU level.

### *5.1.2. The Bundesbank's monetary policy and the German economic context*

Another aspect that should be highlighted here is the embeddedness of the Bundesbank's policies in both economic governance strategy and the performance of the real economy. As it was mentioned above, the ordoliberal approach is focused on enhancing the competitiveness. Since the 1980s, Germany has been increasing its exports, and the stable currency and its recognition certainly gave the German exporters a competitive advantage. But so did the EMU, as the euro was a weaker currency than the Deutsche Mark, providing cheaper prices for the German exports. Therefore, the EMU was also expected to support the export-oriented strategy by extending the Deutsche Mark zone and by the enhancement of competitiveness of the French and the German industrial capital through a cheaper currency, "especially when reinforced by direct wage restraint, a reduced social wage and lowered domestic consumption" (Jessop 2014: 253). What is even more significant in this context, the evidence shows the real goal of the Bundesbank as being a 2% long-run inflation rather than an exact price stability (Clarida/ Gertler 1997: 405). Although publicly not stated, the deviations of the short-term rates from the targets were caused by countercyclical policy of the Bundesbank (Clarida/ Gertler 1997). Therefore, without publicly declaring it, the Bundesbank actually takes into account the performance of the real economy (Clarida/ Gertler 1997: 378), letting "the short-term rate rise in response to news of increases in inflationary pressures, manifested in either a rise in commodity prices, a rise in the money supply, or a depreciation of the exchange rate" (Clarida/Gertler 1997: 385).

The Bundesbank actually combined its aggressive behaviour in dampening inflation through setting short-term interest rates with orientation to the performance of the real economy. It adopted

"a gradualist approach to disinflating, and it does ease when the real economy weakens. During these situations it often cites other factors in public announcements – concern about maintaining the stability of exchange rate regimes, for example" (Clarida/Gertler 1997: 405).

In fact, it was "implicitly pursuing a countercyclical policy" (Clarida/Gertler 1997: 405). So, the analysis of the long-term trend in the interest rate development generally supports the claim of countercyclical policies by the Bundesbank. However, it must be acknowledged that economic growth (or downturn) is one of the factors among many others, which determine the decisions of a central bank. Economic data illus-

trates quite stable interest rates between 1950 and 1998, which are generally higher than those of the ECB<sup>13</sup>.

### *5.1.3. The ERM and the negotiations of the EMU*

Concerning the European level, the Bundesbank showed itself to be cooperative, and played an important role as a leader within the European Exchange Rate Mechanism (ERM). Nevertheless, the latter was clearly dominated by the Bundesbank, which did not seem “to be very responsive to the requests of its monetary partners” (Abdelal 1998: 253). The ERM is often referred to as the D-Mark zone (Dyson 2003: 218). This situation changed radically with the launch of the EMU, as both the constraint of the ‘hard’ D-Mark and the Bundesbank’s role as the monetary policy leader disappeared (Dyson 2003: 218).

At the time of negotiations on the monetary union, two political legacies were crucial for the German position: first, support for further European integration as Konrad Adenauer’s legacy, and second, ordoliberalism as the legacy of Ludwig Erhard (Dyson/ Featherstone 1999). The ordoliberal coalition on the moment of negotiations included the ministries of economy and of finance as well as the Bundesbank, benefitting from the strong support of the employer and banker organizations (Bundesverband Deutscher Industrie, Deutscher Industrie- und Handelskammertag, Bundesverband Deutscher Banken, Deutscher Sparkassen und Giroverband) (Dyson/ Featherstone 1999: 278). This coalition demanded the European single currency to be at least as stable as the D-Mark, insisting therefore on the necessity of strict and detailed rules of convergence among the European partners. It promoted the rule-based approach that would guarantee the market principle based on competition, low inflation, and budgetary discipline, which was expected to lead to the close approximation of the interest rates before the stage 3 of the monetary integration (Dyson/ Featherstone 1999; Fröhlich 1991). Although there was a general support for the economic policy coordination, the economic policy guidelines and the financial support mechanism were rejected (Dyson/ Featherstone 1999). Moreover, the independence of the

---

<sup>13</sup> See the data: <http://de.statista.com/statistik/daten/studie/4878/umfrage/bruttoinlandsprodukt-von-deutschland-seit-dem-jahr-1950/>  
[http://www.bundesbank.de/Navigation/DE/Statistiken/Zeitreihen\\_Datenbanken/Makrooekonomische\\_Zeitreihen/its\\_list\\_node.html?listId=www\\_s11b\\_mb02](http://www.bundesbank.de/Navigation/DE/Statistiken/Zeitreihen_Datenbanken/Makrooekonomische_Zeitreihen/its_list_node.html?listId=www_s11b_mb02)  
<http://www.ecb.europa.eu/stats/monetary/rates/html/index.en.html>

ECB and of all participating national central banks was a non-negotiable position (Dyson/ Featherstone 1999).

The German public showed a rather sceptical attitude towards the EMU. While the European enterprises generally showed interest in a monetary union with the average support of 90%, only about 60% of the German companies supported this idea under the condition that it would be as stable and reliable as the D-Mark (Fröhlich 1991: 276). At the same time, 80% of the German enterprises believed that the Euro-currency would not be as strong as D-Mark (Fröhlich 1991: 293). In February 1998, a public poll evidenced that 58% of respondents were against the introduction of the euro and 30% were in favour (Schmidt 2002: 295).

## **5.2. The context and the mode of governance after the EMU: the new central bank and disrupted balance of ordoliberalism and managed capitalism**

The EMU is certainly associated with significant institutional changes in the monetary policy regime, but the transformation following it does not end there. Starting with the mandate of the ECB, the formal structures, goals, and instruments of the ECB and the Bundesbank are basically identical. In its turn, the original mandate of the Bundesbank was changed, leading to its new institutional structure and search for a new functional identity. The EMU triggered a complex and difficult reform of the Bundesbank, introducing a stronger hierarchy that certainly undermined its federal character (Dyson 2003: 222). Furthermore, the ECB took over the prime responsibility for the banking supervision. Hence, formally, the Bundesbank now simply represents the agent of the ECB in Germany, focusing its activity mainly on research.

The new constellation also disrupted the connection between the activity of the central bank and the real economy, as the ECB often disregards sensitivities and vulnerabilities of a single member. For example, the decisions of the ECB can be procyclical for Germany. Similarly, the link between monetary and economic policy has been abolished. There is no governmental counterpart to the ECB, which would be in dialog with the central bank or would be capable to challenge its decisions. Economic policy adjustment remains nationally specific and path-dependent (Schmidt 2002: 15). Because each government of the member states operates in a different environment and pursues different economic strategy, it is almost impossible for the ECB to stay in dialog and consider the policies in each member state.

It is important to point out that the disciplinary role of the Bundesbank in the domestic collective bargaining and in containing the unit labour costs has disappeared, “leaving a potential vacuum in which the outcomes of wage bargaining could have negative effects on ECB monetary policy” (Dyson/ Goetz 2003: 31). Moreover, in case of Germany, the EMU decreased the influence of regions, the Länder, on economic and monetary policy while strengthening the executive. The ECB has so far not gained the same level of authority in the general public that the Bundesbank had among the German population that might be caused by the fact that the former mainly communicates with the financial experts rather than generally with the population.

The transformation of the context brought in by the EMU is very complex and was determined by two processes: first, the separation of the ‘technical’ monetary policy from the ‘political’ economic policy and, second, the gradual erosion of the ‘political’ in the economic policy reflected in decreased inclusion and strong limitations on the economic policy agenda. Within the EMU, the monetary policy has been transferred to the supranational level, economic policy formally remains in the national domain, and the SGP provides the criteria of the ‘good’ economic indicators.

In the case of Germany, it can be observed how the benchmarking within the EMU strengthens reformers and the discourse of competitiveness, promoting economic liberalization of financial and of labour markets as well as shareholder values (Dyson 2003: 210-211). The EMU lacks the flexibility in adjustment of its paradigm to the socio-economic circumstances in the Euro zone. Especially during the euro zone crisis, the European economic governance was finally established as a universal requirement of the budgetary discipline. As Dyson fairly noticed, the broad strategic direction at the EU level, including the market competition, sound finance, and sound money, fits the German economic and monetary policy well. Nevertheless, this is a fit with the German ordoliberalism only (Dyson 2003: 213). In fact, Germany represented the ordoliberal position during the negotiations, although its domestic policies shared the features of both ordoliberalism and managed capitalism. The latter has also been deeply rooted in the German politics but is absent in the EMU:

“historically, ‘managed’ capitalism formed a continuum with the organized capitalism of cartels, cross-ownership, elite networking, self-regulation, and public-private pacts that characterized early German industrialization. It has fewer problems with mergers and the concentration of economic power than did post-war ordoliberalism. Culturally, it rested on a respect for the principles of consensus. This principle

was deeply entrenched in both the political and economic systems” (Dyson 2009b: 205).

Therefore, the ordoliberal policies (which were transferred on the EMU) embody a policy preference rather than the German model or practice (Dyson 2003: 223). This can be illustrated by the fact that Germany faced significant problems in meeting the requirements of economic policy as prescribed in the SGP, whose provisions incorporate the German stability culture. After the German unification, the competitiveness pressures of globalization have been high, and the need for reforms became more obvious. Nevertheless, it was still hard to introduce and implement the corresponding reforms due to the specifics of the German political system distinguished by federalism and cooperative character with a variety of significant veto players, as, in Germany,

“the outcomes of Europeanization are bound up with a domestic policy process that traditionally favours co-operation and consensus over imposed change and confrontation. This process also gives institutional support to a continuing preoccupation with issues of redistributive justice and provision of collective goods” (Dyson 2003: 205).

The reforms in Germany are at least partly dependent upon the “re-conceptualization of the traditional notions of economic order and social justice” by the state, business, and union actors (Schmidt 2003: 214). European and global competition did not yet destroy the managed capitalism but eroded it through transforming the relation between business and labour towards less cooperative and more competitive.

Another important point is that the ordoliberal paradigm has been reduced to a monetary policy field without taking the broader economic constitution into consideration. As Joerges argues, the launch of the EMU marked the departure from the economic constitution expressed in the German *Ordnungspolitik*. While, at national level, the economic constitution was socially embedded and “conceptualized in the theorem of independent orders or in the social politics of the “social market economy”” (Joerges 2015:7), social and economic policy were ‘decoupled’ in the newly established European economic order. The social embeddedness of the markets refers to “the whole range of institutions on which the operations of market economies relies, most notably “money” and “labour”” (Joerges 2015: 8). In the national contexts, economies are embedded in the institutions of welfare state and modes of political accountability, which are missing on the EU level. As a result, the EMU re-defined the German economic model where the model of social market economy and man-

aged capitalism was at least partly substituted by the shareholder values, which have been strongly promoted by the transnational enterprises (Dyson 2003: 474).

Although the ideas and preferences were in fact transferred onto the EMU, including the design of the central bank and concept of ‘sound’ finance, the German mode of governance faced serious transformations, as its coordinative and consensus-oriented character is not reflected at the EU-level. This effects the distribution of power among the political actors: among the federal ministries, between the federation and the regions, as well as between the employers and the trade unions in the collective bargaining and labour market. It is not the domestic consensus that is decisive anymore but a broader European context.

“In another respect, and adding to its complexity, Europeanization resonates even more deeply in the body politic, raising fundamental long-term cultural questions about the kind of polity and of political economy that Germany aspires to be and whether that aspiration is sustainable. The central constraint on change at this deeper level is set by the domestic institutional ‘fit’ between the federal, corporatist and coalition government features of the German polity (the main elements of its ‘negotiation’ democracy) and an economy that displays strong elements of co-ordination and privileges strong producer groups and the practice of social partnership in labour-market and social policies“ (Dyson 2003: 205).

The corporatist institutions in Germany have not been formally changed in their structure, but their function changed crucially. In fact, political-economic institutions function differently in the new context (Baccaro/Howell 2011: 525). The German model has been transformed by the policy change and actors’ adaptive behaviour (Eichhorst 2015: 49). Generally, the federalized and de-centralized nature of the German polity makes the adjustment to the European modes of governance easier, especially because the policy content was actually uploaded on the EU-level. Nevertheless, the informal and soft nature of the open methods of coordination and other new modes of governance does not make the inclusion of business and trade unions in the decision-making obligatory. Moreover, the dominance of negative integration and its liberal character strengthen enterprises and the executive branch of state.

“The network model of policy-making displays a high degree of compatibility with corporatist governance and surrounding perceptions, appearing as an ‘evolved’ state of meso-corporatism. Distinct differences from corporatism probably pertain to the horizontal structure of network governance, its emphasis on informal and personalised interaction, its inclusion of transnational EC actors, the likelihood of non-

participation of peak associations, and the relatively weaker bargaining strength of the latter” (Pagoulatos 2002: 201).

It is labour that feels the shift in the balance of power the strongest, acting defensively while “collective institutions and forms of labour market regulation have been weakened” (Baccaro/Howell 2011: 522). The increased competition and relatively low growth rates weakened the negotiating position of the labour where “the trade unions accepted wage self-restraint and flexibility of working conditions as well as partial privatization of social services in turn for maintaining employment” (Bieling/Lux 2014: 154). The EU economic governance continued affecting the collective bargaining and labour market institutions without the establishment of a mechanism for the EU-wide collective bargaining and an appropriate form of wage-policy coordination. Generally, the neoliberal convergence is expressed in deregulation through elimination or relaxation of the institutional barriers (incl. removal of legal or contractual restrictions at the workplace level) and in institutional deregulation as a shift from higher levels of collective bargaining to the lower ones, shrinking of collective organization and capacity of the class actors, as well as the re-structuring of unemployment benefits and employment protection (Baccaro/Howell 2011: 527). Decline in the coverage and binding power of the sectoral agreements are further signs of weakening of the trade unions due to decentralization of the collective bargaining (Baccaro/Howell 2011). All this is accompanied with change in identities of employees, who prefer to engage with their employers at the firm level in order to protect the jobs there.

### **5.3. The elite discourse on the EMU in Germany between the years 1997 and 2000: dominance of the ordoliberal coalition**

The discursive period considered in this section covers two coalition governments – first, the Christlich Demokratische Union Deutschlands/ the Christlich-Soziale Union (CDU/CSU) and the Freie Demokratische Partei (FDP) coalition government of Helmut Kohl (November 1994 - October 1998), and second, the Sozialdemokratische Partei Deutschlands (SPD) and the Bündnis 90/die Grünen coalition government of Gerhard Schröder (1998 - 2002).



### *5.3.1. Governmental sub-discourse: Kohl government*

The speeches and interviews of the representatives of the government have been analysed, including the Chancellor Helmut Kohl (CDU), the Minister of Finance Theo Waigel (CSU), and the Minister of Foreign Affairs Klaus Kinkel (FDP). The central topics of the governmental sub-discourse were the general historical importance of European integration and of the EMU project (being a crucial step forward in the integration), the economic policy implications and advantages of the EMU for the German economy, and finally, stability of the future European currency and pre-conditions for it. The discourse on the EMU has been part of the broader discourse on Germany's participation in the European integration and its European identity. Therefore, a big part of the governmental sub-discourse has been happening on the identity level. Similarly to how the D-Mark became the cornerstone of the German post-war identity, the new European currency was expected to shape the European identity among the German citizens. As there already existed a broad consensus and legacy of the post-war Germany being a part of the European "family", any voice for postponing or opposing the EMU was often stigmatized by the governing coalition as anti-European, "spreading insecurities" within the population and within the financial markets. Moreover, Europeanization was also subsumed in a wider discourse of the "requirements" to adapt in the interest of competitiveness.

Another topic, which was not central but present within the governmental sub-discourse, was the employment policy. It was common for the governmental actors to refer to the principle of subsidiarity as the one that determines that the employment and social policies strictly remain on the national level. Without any further elaboration, it was usually declared that the transfer of competences in these areas would simply be against the principle of subsidiarity.

"Eine Sozial-, Lohn- und Steuerunion würde die Entwicklung zur Transferunion vorprogrammieren. Sie würde die nationalen Verantwortlichkeiten verwischen und das Subsidiaritätsprinzip verletzen. Sie wäre das Gegenteil von dem, was wir wollen, nämlich ein Europa, in dem Bürgerinnen und Bürger, Unternehmen und Regierungen ihre eigenen Aufgaben selbstverantwortlich in die Hand nehmen". Theodor Waigel, Bundesminister der Finanzen, 29.04.1998.

Concerning the Minister of Finance, economic convergence and budgetary consolidation were also central. On the contrary, democratic considerations were not significant within the governmental sub-discourse, which regards the transition to the

third stage of the EMU as an exclusively technical process, without any parts of society winning or losing from it.

“Der entscheidende Unterschied zur Geburtsstunde der D-Mark liegt jedoch darin, daß die Umstellung auf den Euro ein rein technischer Vorgang sein wird. Bei der Umstellung auf den Euro wird es keine Geldentwertung, keine unterschiedlichen Umstellungssätze, kein "Kopfgeld" geben. Vor allem wird es keine Gewinner und Verlierer geben". Theodor Waigel, Bundesminister der Finanzen, 30.06.1998.

The central topics of this governmental sub-discourse can be organised in a story as follows. An adjustment to the consequences of globalisation, including the measures to increase the European influence and German competitiveness, can be identified as the governmental goals. The EMU provides a framework to achieve these goals. The main problem is ensuring the stability of the European currency. The solution to this problem will be achieved through a strict and narrow interpretation of the convergence criteria, budgetary consolidation that will lead to a certain degree of economic convergence among the EMU member states. Modernisation is often mentioned as a central policy goal that implies liberal reforms, including the increase in flexibility of labour markets.

“Auch ohne Währungsunion müßten wir die Modernisierung unserer Volkswirtschaften rasch in Angriff nehmen, will Europa seine Wettbewerbsfähigkeit im Zeitalter der Globalisierung erhalten. Der Euro ist zwar nicht die Lösung der vorhandenen Strukturprobleme. Er wird aber ihre Lösung erheblich beschleunigen. Er wird einen frischen Wind der Modernisierung nach Europa bringen. Wenn wir jetzt ja zur Währungsunion sagen, dann stellen wir damit auch unsere Reformbereitschaft und unsere Zukunftsfähigkeit unter Beweis". Theodor Waigel, Bundesminister der Finanzen, 29.04.1998.

In this context, Germany is often described as ‘exporter of stability’, playing the role of the policy sender. The European countries, in their turn, are receivers, as they ‘adopt the stability culture’.

“Jeder, der den Vertrag von Maastricht liest und die ergänzenden Beschlüsse dazu kennt, muß das einsehen. Es ist uns gelungen, die deutsche Philosophie der Geld-, Wirtschafts- und Finanzpolitik europaweit zu verankern". Theodor Waigel, Bundesminister der Finanzen, 2.04.1998.

With the launch of the EMU, small and medium enterprises as well as the German exports would benefit, strengthening growth and securing the employment in the country. Therefore, the success of the D-Mark would not be eliminated but transferred and continued on the European level.

“...die Erfolgsgeschichte der D-Mark geht mit dem Wechsel zum Euro auf europäischer Ebene weiter. Mit dem Euro sichern wir die Werte, die die D-Mark zum Inbegriff von Stabilität und Vertrauen gemacht haben”. Helmut Kohl, Bundeskanzler, 2.04.1998.

As already mentioned above, there were several elements that the governmental ‘story’ explicitly rejected as possible solutions. These points included the transfer of employment policies to the European level as well as harmonization of the wage policy, social policy, and taxes.

This governmental sub-discourse claimed universalism in several regards. A close discursive link has been established between European integration and the EMU, leading to a conclusion that anyone who supports the former must support the latter too. In its turn, the idea of the monetary integration was reduced to what has been negotiated as the EMU. Then, any critical points to the already negotiated project of EMU were declared as opportunistic and populist. The reference to ideologically different prominent political figures in support of the common currency are quite common in the governmental sub-discourse of this period, which is aimed at proving the argument that, in Germany, leaders of all democratic parties of the post-war history supported European integration. Along with the legacy of Konrad Adenauer, the conservative government representatives refer to Carlo Schmid (SPD), Kurt Georg Kiesinger (CDU), Franz Jozef Strauß (CSU), Willy Brandt (SPD), and Helmut Schmidt (SPD). The governmental sub-discourse emphasizes that both European socialists and the German trade unions strongly support the EMU, downplaying their criticism of some features of this project. Therefore, the government made an effort to describe the EMU as an ideologically neutral project. Although the government also presents the calculations of how much money enterprises would save by eliminating the exchange rates, it also claims to represent the interest of the people who save money as well as the citizens with a small income.

“Eine harte Währung - das ist eine wichtige Erfahrung gerade der Deutschen - ist zugleich die beste Sozialpolitik: Rentner, Sparer sowie Bürgerinnen und Bürger mit kleinen Einkommen sind ganz besonders darauf angewiesen, daß ihr Geld seinen Wert behält”. Helmut Kohl, Bundeskanzler, 2.04.1998.

Finally, the government presents the negotiated features of the EMU as based on objective and universal truths. For example, while pointing out the benefits of the common currency in Europe, Kohl refers to the “scientific discussion”, which provides the exact numbers that represent the volumes of money saved by the enterprises

from the elimination of the exchange rates. Then, he just instantly assumes that these savings will appear as investments and employment in Germany and Europe. Nevertheless, it creates an impression among the audience that the latter is also supported by the scientific knowledge.

“... aus der wissenschaftlichen Diskussion wissen wir, daß der Wegfall des Wechselkursrisikos für die Unternehmen in den Euroländern Einsparungen in einer zweistelligen Milliardenhöhe ermöglicht. Denn mit der Einführung des Euro entfällt die teure Absicherung gegen Wechselkursschwankungen. Die gemeinsame europäische Währung wird das Klima für Investitionen und Beschäftigung auch bei uns in Deutschland und in Europa nachhaltig verbessern”. Helmut Kohl, Bundeskanzler, 2.04.1998.

Similarly, the claim of convergence among the member states is supported by the “independent” analysis of the European Commission, European Monetary Institute, and the Bundesbank, using the criteria of inflation, interest rates, budgetary consolidation, and public debt. The EMU is described as “right” based on the rational and objective arguments.

There are several contradictions, which can be noticed in the linkage of European integration and the EMU promoted by the governmental sub-discourse. The significance of the decision to launch the EMU was often compared and historically placed with the events in the German („the present of German re-unification”, Helmut Kohl, Bundeskanzler, 2.04.1998, translation S.M.), European (a step forward in the European unification), and global politics (the most important event since the collapse of communism) that all have a positive image through their associations with freedom and democratization.

“Die Verwirklichung der Europäischen Wirtschafts- und Währungsunion ist in ihren Konsequenzen die bedeutendste Entscheidung seit der deutschen Wiedervereinigung. Sie ist die tiefgreifendste Veränderung auf unserem europäischen Kontinent seit dem Zusammenbruch des kommunistischen Imperiums. Und sie ist zugleich der wichtigste Meilenstein im europäischen Einigungsprozeß seit Gründung der Montanunion 1951 und seit Gründung der Europäischen Wirtschaftsgemeinschaft im Jahre 1957”. Helmut Kohl, Bundeskanzler, 2.04.1998.

Interestingly, all of these events are political in their nature and have strong political implications, whereas the same government describes the EMU as technical, apolitical, or ideologically neutral.

While the German interest in promoting European integration was central for the governmental sub-discourse, and the EMU is considered as a unique opportunity

to push the integration project forward due to the symbolism of currency and its effects on identity, the government actually rejected the proposals of the opposition, which would in fact mean even deeper integration. The former tried to cultivate the image of the opposition as supporters of a European superstate, which would eliminate the distinctive features of the German political system. In this context, the notion of subsidiarity is regularly used as a democratic principle of preserving the diversity and closeness of political decisions to the people. It is opposed to the centralistic European community “demanded by the opposition”. This discursive frame makes the government appear as a protector of the German social policies established according to high standards of the social market economy and tariff autonomy.

“In der Europäischen Union stehen wir erst am Anfang eines sozialen Dialogs, in den die Tarifpartner eingebunden sind. In Deutschland haben wir bereits eine lange und gute Tradition der Partnerschaft zwischen Politik, Arbeitgebern und Gewerkschaften. Dieses Miteinander ermöglicht es, sich auf gemeinsame Ziele zu verständigen, ohne daß die notwendige Streitige Auseinandersetzung um den besseren Weg dabei unterbunden wird. Damit ist auch die Selbstverpflichtung aller Beteiligten verbunden, ihren eigenen, ihren konkreten Beitrag zur Verwirklichung der Ziele zu leisten. Auf der Ebene der Europäischen Union müssen wir diese Art der Partnerschaft erst noch entwickeln und ausbauen”. Helmut Kohl, Bundeskanzler, 12.11.1997.

The governmental discourse has its heroes and villains: courageous, true to the principles, and strategic visionaries compete with anxious and opportunistic opposition. Conveying the positive image of the German re-unification and European integration as the one associated with freedom and peace, Kohl instantly creates a negative image of anyone who is against the EMU. The latter are described as regressive, the same groups who resisted the German unification. Although the opposition criticized the content, not the idea of EMU itself, the government presents the opposition as generally being against the EMU. Such a strategy provides a framework in order to escape the necessity to actually give answers to the criticism of content.

Nevertheless, the government briefly mentioned the points of criticism by the opposition – economic welfare, social security, and necessity to increase employment in Germany and Europe – as only being possible within the framework of the European unification that would be deepened through the EMU.

“Hinter uns liegt die Epoche des kalten Krieges und der Konfrontation; vor uns öffnet sich eine neue Ära mit neuen Möglichkeiten, aber eben auch mit neuen politischen, sozialen, wirtschaftlichen und auch ökologischen Aufgaben. Für viele dieser Aufgaben ist der National-

staat zu klein. Nur wer bereit ist, Souveränität zu teilen, gewinnt Handlungsfähigkeit. Das bedeutet für uns: Wir brauchen ein modernes, leistungsstarkes Europa der Bürger. ... In Maastricht wurde der Euro beschlossen, eine strategische Weichenstellung, damit sich Europa im Zeitalter der Globalisierung behaupten kann". Klaus Kinkel, Bundesminister des Auswärtigen, 11.12.1997.

This type of argumentation attaches the future social security, welfare, and employment to the EMU, although none of these policy areas have been directly included in the project of the EMU. So, while the opposition argued for a certain degree of European harmonization in the fields of social protection and employment, the government claimed that the German social protection and employment would be protected under European integration. Therefore, the government used the same notions as opposition but connected them to the European integration rather than the EMU itself. According to the government, a direct harmonization would not be realistic due to lack of will of Germany's partners to take over the high social and environmental standards, which already exist in Germany. In this context, the lower standards are considered as a competitive advantage.

“Eine solche Politik wäre ganz und gar unrealistisch, um nicht zu sagen unehrlich, weil wir genau wissen, daß in Europa niemand bereit wäre, sich jetzt beispielsweise auf unsere hohen Sozial- und Umweltstandards einzulassen. Schließlich würde das für unsere Partner bedeuten, zugunsten Deutschlands auf eigene Wettbewerbsvorteile zu verzichten. Eine solche Politik ist auch deswegen gefährlich, weil nur eine Harmonisierung auf einem niedrigeren Niveau zustande käme". Helmut Kohl, Bundeskanzler, 2.04.1998.

According to the governmental discourse, harmonization demanded by the opposition is not necessary in order to preserve high levels of employment in Germany because elimination of the exchange rates will create employment by itself through reduction of the risks for the German exports.

### *5.3.2. Governmental sub-discourse: Schröder government*

By the end of 1998, the social-democratic and green coalition government led by Gerhard Schröder substituted the conservative-liberal one. Although by that time the debate on the EMU had passed its peak, the debate has not been finished yet. The new government attempted to shift the focus to growth and employment as well as democracy within the EMU. It must be mentioned that the new government was also in favour of the price stability and budgetary consolidation. Yet, it also pursued the goal of extending the existing stability policy with a European employment policy.

“Der Euro, von dem ich eingangs geredet habe, hat seinen ersten Härtetest auf den Märkten bestanden. Seine Akzeptanz in der Bevölkerung nimmt zu. Aber wenn wir diesen Trend halten wollen, müssen wir uns darüber im klaren sein, daß unsere Stabilitäts- und Konsolidierungsanstrengungen, die auch in Zukunft ohne Abstriche nötig sein werden, nur dann die Unterstützung der Bürgerinnen und Bürger finden, wenn wir sie durch eine wirksame Koordinierung der Wirtschafts-, Finanz- und Sozialpolitik in Europa ergänzen. Das ist die Aufgabe, die in der nächsten Zeit vor uns liegt. Ein Stabilitätspakt ohne Beschäftigungspakt muss auf Dauer wirkungslos bleiben. Wir müssen diesen Beschäftigungspakt genauso ernst nehmen, wie wir auch weiterhin die Verabredungen zur Stabilitätsorientierung ernst nehmen werden”. Gerhard Schröder, Bundeskanzler, 10.12.1998.

It was repeatedly stated that the EMU must have a purpose of growth and employment, as, with the EMU, the employment problem can only be solved on the European level. Therefore, stronger economic and social policy coordination would be necessary. This coordination should be accompanied by the inclusion of social partners and stronger accountability of the ECB towards the European Parliament.

“Dabei entspricht es entwickelter und guter europäischer Tradition demokratisch verfaßter Gesellschaften - auch deshalb steht dies darin -, daß zum Beispiel die Europäische Zentralbank ihre in voller Souveränität gefaßten geldpolitischen Entscheidungen regelmäßig dem Europäischen Parlament darlegen wird. Was spricht dagegen?” Gerhard Schröder, Bundeskanzler, 10.11.1998.

Therefore, the new government was determined to bring in a few modifications in the overall functioning of the EMU, which was reflected in its discourse. However, the negotiation process on the EMU had already been closed, making it harder for the Schröder government to intervene with amendments. This government re-shaped the discourse on the EMU mainly in two aspects: first, the inclusion and Europeanization of the collective bargaining process and labour market institutions and, second, the necessity to reform the SGP where the specific circumstances of the member states' debt should be regarded. These circumstances would have to include investment in the future growth, consequences of the German re-unification, and the German contributions to the EU budget.

To sum up, while the discourse on the EMU did not change radically in Germany during this period, its focus slightly shifted towards the employment issues. The problem of unemployment and the question of how to reach the possibly highest levels of employment is a different discourse, but this discourse is related to the discourse on the EMU due to the link with economic growth.

### *5.3.3. Parliamentary sub-discourse: the CDU/CSU, the FDP, the SPD, the Bündnis 90/die Grünen, and the PDS*

The governmental sub-discourse is usually accompanied by the communications of the parliamentary parties, which either support or oppose the governmental sub-discourse. When the CDU/CSU and the FDP were in a governing coalition, the representatives of these parties supported the governmental sub-discourse, underlining the importance of European integration and the economic benefits of the EMU for the German economy. The main concerns in this case were the stability of the new currency and respect for the principle of subsidiarity, which is supposed to protect the social market economy and the tariff autonomy.

“Ihre Frage, ob man Beschäftigungspolitik zu Hause oder anderswo macht, ist gar nicht so wichtig. Entscheidend ist das Grundverständnis von sozialer Marktwirtschaft und Tarifautonomie und ob man dazu ja oder nein sagt. Sie glauben darin sind Sie wahrscheinlich in den Gesprächen mit Herrn Jospin sogar bestärkt worden -, daß der Staat durch möglichst viel Regulierung möglichst viel erreichen könne. Wir glauben das nicht, sondern wir glauben das Gegenteil. Wir sind vom Gegenteil überzeugt. ...Wir haben Tarifautonomie, und das ist gut so. Also dürfen wir die Verantwortung für den Arbeitsmarkt nicht in erster Linie bei der Politik suchen, weil dann die Tarifpartner aus ihrer Verantwortung entlassen werden und falsche Entscheidungen treffen”. Wolfgang Schäuble (CDU/CSU), 2.04.1998.

Concerning the two biggest oppositional parties, the SPD and the Bündnis 90/die Grünen, both parties supported the idea of monetary integration, but each party had a slightly different emphasis in criticizing the project presented by the government. In the parliament, only the PDS actually opposed the EMU and the German membership in it. For this reason, the PDS sub-discourse played a rather marginal role and is not considered in depth here.

While agreeing with the government on the importance of European integration and on the necessity to ensure the stability of the new currency, the SPD opposition presented monetary integration as an urgent necessity under the conditions of globalization.

“Die Entscheidungen der amerikanischen Notenbank beeinflussen weltweit das jeweilige Zinsniveau und haben Auswirkungen auf die Arbeitsplätze in allen europäischen Ländern. Schnelle Spekulationsbewegungen und Wechselkursschwankungen führen zu Verlust von Arbeitsplätzen in all unseren Staaten. Unternehmen spüren Wechselkursveränderungen und Schwankungen innerhalb weniger Tage. Nach Schätzungen der wirtschaftswissenschaftlichen Institute sind auf diese Art und Weise allein in Deutschland 250 000 Arbeitsplätze ver-



lorengegangen. Darum halten wir das Projekt einer europäischen Wirtschafts- und Währungsunion wirtschaftlich und politisch für dringend notwendig". Heidemarie Wiczorek-Zeul (SPD), 15.05.1997.

It was argued that a monetary union could potentially protect the member states from the negative effects of globalization and give them more independence in shaping their economic and social policies. Also, the benefits of the EMU for enterprises and exporters were present in the discourse. However, two central concerns dominated in the communications of the SPD representatives: growth and employment. The opposition saw the danger of European economies growing apart in a situation where growth and employment policies were absent on the European agenda.

"Nun will ich von unserer Seite ein Risiko deutlich machen: Es geht nicht um das Risiko der Lohnentwicklung, meine Damen und Herren - das ist leider ein fundamentales Mißverständnis wirtschaftlicher Zusammenhänge -, sondern es geht um das Risiko auseinanderdriftender Lohnstückkostenentwicklungen, das wir aus der deutsch-deutschen Vereinigung kennen, das wir in Europa auf Grund der großen Exportüberschüsse der deutschen Volkswirtschaft kennen und das zu einem wirklichen Problem der Europäischen Gemeinschaft werden wird... Da gibt es etwas, was wir Deutsche wissen müssen: Es ist nicht gut - nun komme ich wieder auf die Themen Standortwettbewerb und Kostensenkungswettlauf zu sprechen -, wenn eine Volkswirtschaft zu Lasten der anderen ständig steigende Exportüberschüsse hat. Der Forderung des Stabilitätsgesetzes, unter anderem auch außenwirtschaftliches Gleichgewicht anzustreben, liegt eine tiefe ökonomische Einsicht zugrunde, die in den letzten Jahren mehr und mehr verlorengegangen ist". Oskar Lafontaine, Ministerpräsident (Saarland), 2.04.1998.

It was claimed that monetary integration would change the circumstances for the labour markets, whereas monetary policy was presented as a substantial part of the employment policy.

"Wer die Unabhängigkeit der Zentralbank ins Feld führt und wer um die Bedeutung der Geldpolitik weiß, der kann sich doch angesichts der Tatsache, daß die Geldpolitik jetzt europäisiert wird, nicht mehr hinstellen und sagen: Beschäftigungspolitik machen wir zu Hause. Nein, ein ganz wichtiger Abschnitt der Beschäftigungspolitik, nämlich die Geldpolitik, wird in Zukunft europäisch gestaltet werden. Das ist tatsächlich eine gewaltige Veränderung, und deshalb wird die Beschäftigungspolitik mehr und mehr auf europäischer Ebene zu betreiben sein". Oskar Lafontaine, Ministerpräsident (Saarland), 2.04.1998.

The SPD opposition accused the government, unwilling to harmonize the policy areas related to the monetary policy, of triggering the kind of competition between the

member states as the one known from the private business, i.e., the competition between enterprises.

“Ich möchte einen wichtigen Punkt aufgreifen: die Steuerharmonisierung. Es ist einfach falsch, in einen Steuersenkungswettbewerb zwischen den europäischen Staaten einzutreten. ...Lösen Sie sich von dem Konzept, das meint, Staaten konkurrierten miteinander wie Betriebe. Erkennen Sie, daß wir eine Harmonisierung des europäischen Steuersystems brauchen. Im Grunde genommen müßte sie längst durchgeführt sein, damit die europäische Währung funktionieren kann”. Oskar Lafontaine, Ministerpräsident (Saarland), 2.04.1998.

Concerning the demand of harmonization, the SPD opposition pointed out that it would not be about all the other European states taking over the higher German standards, but rather agreeing on the European minimal standards.

For the Bündnis 90/die Grünen, the goal of deeper integration and more sovereignty transfer was of central importance. The members of this party argued in favour of the transfer of more competences on the EU level, including the employment policy.

“Wir müssen doch eine gemeinsame politische Anstrengung machen, um endlich von diesen 18 Millionen Arbeitslosen in Europa herunterzukommen. Wenn sich die Währungsunion für die Menschen nur als eine kalte Veranstaltung der Märkte, als eine kalte geldpolitische Veranstaltung darstellen wird, für die die Mehrheit die Zeche in Form von Drohung von Arbeitslosigkeit oder realer Arbeitslosigkeit zahlen muß, dann wird dieses Projekt scheitern; und es darf nicht scheitern”. Joseph Fischer (Bündnis 90/Die Grünen), 2.04.1998.

The necessity of the future European currency to be stable was recognized, but the representatives of the party argued for a more relaxed interpretation of the Maastricht criteria and for the inclusion of as many member states as possible.

“Die fiskalischen Kriterien Neuverschuldung und Gesamtverschuldung sind ökonomisch aber sehr viel weniger aussagefähig. Sie wurden schlicht aus dem Durchschnitt der damaligen Verschuldungsverhältnisse gebildet. Sie sind genau deswegen mit Bedacht relativ offen formuliert worden. Ausgerechnet durch die Forderung nach strikter Einhaltung dieser Verschuldungskriterien versuchen deutsche Politiker und deutsche Ökonomen, unerwünschte EU-Länder von der Währungsunion fernzuhalten. Die strikte Einhaltung der Verschuldungskriterien entspricht weder den Buchstaben noch dem Geist des Maastrichter Vertrages. Der Maastrichter Vertrag zielt auf europäische Integration und nicht auf ein Kerneuropa. Diese Bundesrepublik hat den Vertrag völkerrechtlich verbindlich unterschrieben. Wer jetzt auf die Null hinter dem Komma schießt, stellt sich der europäischen Integration in den Weg”. Kristin Heyne (Bündnis 90/Die Grünen), 15.05.1997.

#### 5.3.4. *Sub-discourse of the Bundesbank*

Since the beginning of the 1990s, the position of the Bundesbank evolved from a sceptical to moderate, which can also be traced in the public statements of its representatives as well as official documents, such as the statement on convergence in the EU. By 1998, some advantages of the common currency were finally recognized. However, the central issue for the Bundesbank remained to be the necessity of a certain degree of convergence among the member states in order for the project of the new currency to be successful.

“Über diese Grundsatzaussage zur Bedeutung einer Währungsunion und zu den damit verbundenen Konsequenzen hinaus wurde in dieser Stellungnahme neben den institutionellen Voraussetzungen für eine gemeinschaftliche Geldpolitik auch die zentrale Bedeutung der stabilitätspolitischen Konvergenz vor Eintritt in die Endstufe der Währungsunion unterstrichen...

...Die Bundesbank hat somit von Anfang an darauf hingewiesen, daß an die Konvergenzprüfung strenge Anforderungen gestellt werden müssen, um der Währungsunion Bestandsfestigkeit zu verleihen”.  
Deutsche Bundesbank, Monatsbericht April 1998.

According to the Bundesbank, the convergence must be expressed in the elimination of inflation, convergence of the price levels, reduction of the budgetary deficits to sustainable levels, and convergence of the interest rates for the governmental bonds on the financial markets. The institution pointed out the need of structural reforms and financial discipline. The Bundesbank emphasized that the convergence can only be sustainable if both the central bank and the EMU generally are politically embedded. For instance, this is how the president of the Bundesbank Hans Tietmeyer described the embeddedness of the Bundesbank in 1997:

“The Bundesbank is independent, but it is not a state within a state: it was created by the legislative authority and is bound by its legally defined mandate; from the beginning it took on itself the obligation to publicly present and give reasons for its policies; and it has a task to consult the federal government on significant issues related to monetary policy. But the competence to make a decision here clearly belongs to the domain of politics”. Symposium “Mit der Sozialen Marktwirtschaft in das 21. Jahrhundert”. Hans Tietmeyer, President of the Bundesbank, 12.02.1997.

In fact, the Bundesbank constantly emphasized the connection between the economic and monetary policy – in order to make monetary policy successful, there should be certain reforms in the economic policies of the member states.

“Letztlich wird die Währungsunion um so besser gelingen, je flexibler die Güter-, Finanz- und Arbeitsmärkte sind. Und sie erfordert überall

eine Wirtschaftspolitik, die mit dem Ziel der Preisstabilität in Einklang steht". Deutsche Bundesbank, Monatsbericht April 1998.

Although known for its ordoliberal approach, the Bundesbank referred to employment as an important criterion in its statement on the EMU. Nevertheless, the budgetary criteria were obviously a priority for this institution.

"In der die nationalstaatlichen Grenzen übergreifenden Währungsunion können immer wieder Divergenzen auftreten, auf die es mit nationalen Maßnahmen der Wirtschafts-, Finanz- und Sozialpolitik, nicht aber mit der unionsweit einheitlichen Geldpolitik zu reagieren gilt. So könnte eine in den einzelnen Mitgliedstaaten unterschiedlich hohe Arbeitslosigkeit eine beträchtliche Belastung für die Währungsunion werden. Dem steht jedoch auf der anderen Seite die Chance gegenüber, daß die Währungsunion längerfristig die Bedingungen für mehr Beschäftigung verbessert". Deutsche Bundesbank, Monatsbericht April 1998.

#### 5.3.5. *The German trade union association: Deutsche Gewerkschaftsbund (DGB)*

Trade unions generally favoured the EMU and recognized the opportunity it could offer for the German exports. Regarding the umbrella organisation of the German trade unions, there were four central topics: employment policy, the issue of harmonization of the social and ecologic standards, questioning of austerity, and a demand of inclusion of social partners on the European level. In the DGB's statements, the problem was described as sharpening of competition through the EMU. It was argued that the monetary integration has potential to bring gains in welfare, which is currently endangered by globalization; however, the distribution of those gains depends on the overall regulatory conditions.

"Die wirtschafts- und Währungsunion (und der Binnenmarkt) führen zu Wohlstandsgewinnen. Die personelle und regionale Verteilung der Wohlstandsgewinne sowie die Beschäftigungswirkungen hängen entscheidend von den politischen Rahmenbedingungen ab". Gewerkschaftliche Thesen zur europäischen Wirtschafts- und Währungsunion, 1997.

Therefore, in order to strengthen the growth and secure employment, either a European employment policy or at least a close coordination of the member states' employment policies must emerge. In fact, the DGB claimed that the EMU required definition of the employment policy on the European level with the inclusion of all relevant actors.

"Ohne die strukturellen Ursachen der Arbeitslosigkeit verniedlichen zu wollen, entscheidend für eine aktive Beschäftigungspolitik, sind

wirtschaftliches Wachstum und verbesserte Rahmenbedingungen. Diese können nur bei besserem Zusammenwirken und aktiver Beteiligung der für Geld-, Fiskal- und Lohnpolitik verantwortlichen Akteure geschaffen werden. Mit der Währungsunion in Europa und der Schaffung der Europäischen Zentralbank, "kann dieser Abstimmungsprozess nicht mehr nur auf nationaler Ebene stattfinden," so Heinz Putzhammer". DGB, Pressemitteilung 117, 7.06.1999.

Also, it was emphasized that the tariff policy must be coordinated on the European level. The DGB insisted on including the basic right on the freedom of trans-border coalition and a social protocol in the Treaty.

“Um einer ruinösen Konkurrenz um soziale Standards in Europa entgegenzuwirken müssten Arbeitnehmerrechte abgesichert und soziale Mindeststandards durchgesetzt werden. Soziale Grundrechte, die zum Kernbestand europäischer Werte gehören, wie Schutz vor Diskriminierung, Koalitionsfreiheit und Recht auf grenzüberschreitende Tarifverhandlungen sowie Unterrichtung, Anhörung und Mitwirkung der Arbeitnehmer und ihrer Interessenvertretung müssten europaweit garantiert werden”. DGB, Pressemitteilung 103, 27.05.1997.

The DGB representatives rejected austerity as a solution for the employment problem, describing it as “exaggerated” and an “excuse for government to pursue unfair redistribution policy” (DGB, PM 065, 25.03.1998, translation S.M.). The organisation also warned against the strict interpretation of the Maastricht criteria and, especially, the delay of the EMU, as it would result in an upgrade of the D-Mark. That happening would have devastating consequences for the employment and internal market.

According to the DGB, not only the labour market and structural policies should be embedded in the growth policy but also an agreement on the social and ecological standards should be achieved, preventing the race to the bottom.

“Zur besseren Bewältigung des sich verschärfenden Wettbewerbs fordere der DGB ein Aktionsprogramm zur Verbesserung der qualitativen Standortbedingungen mit den Schwerpunkten Qualifizierung, Innovation und Umweltschutz sowie gezielte Hilfen für kleine und Handwerksunternehmen, das im Rahmen eines neuen Bündnisses für Arbeit unter Beteiligung der Sozialpartner und Bundesländer mit konkreten Verpflichtungen für die Beteiligten festgelegt werden sollte. Zur Bekämpfung unfairer Wettbewerbsbedingungen müssten auf europäischer Ebene darüber hinaus die notwendigen sozialen und ökologischen Mindeststandards gesetzlich fixiert werden - die Gewerkschaften werden ihre Tarifpolitik, zum Beispiel bei Forderungen und Laufzeiten, europäisch koordinieren”. DGB, Pressemitteilung 092, 7.05.1998.

5.3.6. *The German employers' association: Bundesvereinigung der Deutschen Arbeitgeberverbände (BDA)*

While emphasizing the economic advantages of the EMU for Germany, the BDA expressed its strong support for the monetary integration.

“Die Vollendung der Wirtschafts- und Währungsunion war auch für die deutsche Wirtschaft von Anfang an ein Ziel, für das wir kämpften. Wir haben uns in den letzten Jahren besonders stark für die termingerechte Einführung des Euro eingesetzt. Denn erst jetzt können wir alle Vorteile des Binnenmarktes ausschöpfen.” Dieter Hundt, Arbeitgeberpräsident, 10.02.1999.

According to the BDA, the new European financial market would offer great opportunities for enterprises. Especially the small and medium enterprises would profit from the common currency. But in order for the potential of the monetary union to be fully realized, reforms that would guarantee the convergence among the member states' economies and the price stability are crucial.

“Der Euro stellt uns auch längerfristige Aufgaben, die wir meistern müssen. Nach der Konvergenz von Maastricht brauchen wir nun eine fortgesetzte Konvergenz der Anstrengungen. Der Abbau der Neuverschuldung und der Gesamtverschuldung war keine einmalige Anstrengung, um den Euro zu bekommen und dann die Zügel wieder schleifen zu lassen, sondern ist eine Daueraufgabe zur Erreichung des gemeinsamen Ziels: Die Preisstabilität in der Euro-Zone!” Dieter Hundt, Arbeitgeberpräsident, 10.02.1999.

Moreover, the BDA constantly emphasized that the new common currency should be based on the market principles. The ordoliberal discourse of the government provided favourable conditions for the employers' organization to promote its interests in promoting the labour market liberalization. The president of the BDA Dieter Hundt demanded wage restraint, referring to the increased responsibility of the wage policies for the competitiveness of the region. Flexibilization of the labour market and wage restraint were presented as the two crucial policy options that would lead to more employment.

Finally, according to the BDA, tax and financial policies, as well as social and employment policies must remain a national responsibility. The reference to the principle of subsidiarity was used in support of this logic.

“Diese Erkenntnisse sind nicht neu - wir wissen, gerade aus unserer föderalen Tradition, daß problemnahe Lösungen am besten auf regionaler Ebene gefunden werden. Unsere guten Erfahrungen damit konnten wir auch auf europäischer Ebene einbringen. Deshalb gibt es den Subsidiaritätsartikel im Maastrichter Vertrag. Und deshalb hat

eben dieser Vertrag auch nur die Geldpolitik supranationalisiert und nur eine neue Institution geschaffen, nämlich die Europäische Zentralbank. Finanz- und Lohnpolitik bleiben laut EU-Vertrag in nationaler Verantwortung, daran muß man immer wieder erinnern. Denn den monetären Standard kann man vereinheitlichen, nicht aber die regionale Fiskalpolitik. Die Vorstellung Maßnahmen und Mittelverwendungen einzelner Regierungen zentral vorzugeben ist geradezu absurd, wenn man sich die Vielfalt der europäischen Staaten und ihrer Gesellschaften vor Augen hält.” Dieter Hundt, Arbeitgeberpräsident, 10.02.1999.

### *5.3.7. Summarizing the discourse analysis*

The entire elite discourse in Germany between the years 1997 and 2000 can be divided into the dominating and marginal sub-discourses. Powerful actors, including the government, the parliamentary opposition, as well as the employee and business associations represented the dominating discourse. In the parliament, only one relatively small party, the Partei des Demokratischen Sozialismus (PDS), represented the marginal discourse. Within the dominating discourse, all parties agreed on the positive aspects and necessity of the monetary integration in the EU. Also, the representatives of the dominating discourse shared the idea that the stability of the new currency must be guaranteed.

Nevertheless, it would not be fair to claim that the dominating discourse in this period was homogeneous. In the case of Germany between the years of 1997 and 2000, two discourse coalitions can be identified. I will refer to them as the ordoliberal discourse coalition, which included the Kohl government, the CDU/CSU, the FDP, the Bundesbank, and the BDA; and the social democratic coalition, including the SPD, the government of Schröder, the Bündnis 90/ die Grünen, as well as the DGB.

The nodal points of this discourse were the aspects concerning employment policy, economic policy, European unification, austerity, convergence, harmonization in other policy fields (taxation and social policy), stability of the new currency, sovereignty transfer versus subsidiarity, and the democratic aspects of further integration. The framing of the discourse by the two discourse coalitions diverges in all nodal points with the exception of the European integration and the general support for the EMU. Yet it is crucial that neither the basic assumptions on the EMU that were introduced by the ordoliberal coalition nor the overall agenda of the Kohl government concerning the EMU were generally questioned or challenged by the social democratic coalition. The latter rather attempted to extend the agenda, bringing in new points,

which would, according to these actors, improve and correct the overall functioning of the EMU. Such a constellation strengthened the ordoliberal sub-discourse and significantly contributed to the image of certain assumptions and features of the EMU as being impartial, universally right.

Concerning the groups of population represented by the discourse coalitions, actors across the discourse coalitions mentioned interest of the German exporters, who would benefit from the EMU. The actors of the ordoliberal coalition claimed to promote the interest of business (small and medium enterprises), but the government led by Kohl also claimed to represent the interest of people with savings and small income. The social democratic coalition argued in the interest of labour.

The main issues of the discursive contestation include the issue of closer economic and social policy coordination, introduction of some elements of employment policy at the European level, and a European agenda for growth, as well as application of the convergence criteria and the SGP. An important difference between the coalitions was the expressed wish to extend the economic part of the EMU with the issues of employment. In this context, it was made clear that there were no intentions to break with the subsidiarity principle but rather to institutionalize the cross-border representation of labour, minimal social standards, and an employment criteria in the similar manner as the Stability and Growth Pact provided some criteria for the budgetary policies. These demands of the social democratic sub-discourse were rejected by the ordoliberal governing coalition with the argument of non-conformity with the existing European legal provisions (subsidiarity) and lack of will of the other governments to agree on this topic. The demands were often framed by the ordoliberal coalition as a quest for a centralized European superstate. In this case, a European norm that was once decided on pre-determines the content of the future agenda. In fact, European integration itself represents an example of a slow and gradual transfer of competences on the supra-national level based on negotiations and reach of a consensus. Therefore, what does or does not correspond to subsidiarity is often not obvious and not universal. Since the Treaty on the European Community of Coal and Steel in 1951, the provisions were fundamentally re-considered nine times, proving a high degree of volatility of the European basic law that is incomparable with the rather stable character of the Constitutions of the EU member states.

Which conclusions can be drawn from the democratic perspective regarding this period of analysis? Certainly some degree of contestation in the discourse can be



identified, as in fact different visions of the EMU have been presented. The analysis showed some signs of conflict, which is rooted in the values and identities of different actors and manifested in their policy definitions and preferences. Yet this conflict is not clearly recognizable in the discourse because there a general consensus was on the participation of the country in European integration and some parameters of the future EMU.

However, the consensus on the EMU was not complete, and the strengthening of the ordoliberal discourse against its alternatives has political and democratic consequences. Controlling the agenda, the ordoliberal coalition did not prove to be cooperative or have an intention to modify its position in the course of deliberation. In fact, an in depth discussion of the proposals put forward by the social democratic discourse coalition did not take place. Moreover, when the government changed after elections, the new government changed the ordoliberal focus of the discourse but had little room to manoeuvre in terms of policy change, and its policy preference could not be implemented fully. Finally, both the evolving context of governance and discourse proved to weaken the position of labour. While its preferences were present in the domestic discourse, these preferences were completely excluded in the final results of the decision-making without the dynamic discourse analysis to show any signs of consensus or compromise.

Although the dominating discourse in Germany of that period had a clear European dimension, it still preserved focus on the national interest and benefits. However, the “national” interest presented during the negotiations on the European level did not express a consensus, a domestic model, or a result of the popular vote. In fact, a policy preference of the ordoliberal discourse coalition became the “national” interest. The fact that one of the main actors in the negotiations of the EMU on the European level promoted a policy preference implies exclusion.

Table 4: Discourse on the EMU in Germany, 1997-2000

	Kohl gov.	Schröder gov.	CDU/CSU	FDP	SPD	Bündnis 90/die Grünen	PDS	Bundesbank	DGB	BDA
European integration/ monetary integration	✓	✓	✓	✓	✓	✓	✗	⊖	✓	✓
Stability of the future currency	✓	✓	✓	✓	✓	✓	⊖	✓	⊖	✓
Interest of the German exporters	✓	⊖	✓	✓	✓	⊖	⊖	⊖	✓	✓
Budgetary consolidation/ austerity	✓	✓	✓	✓	⊖	⊖	✗	✓	✗	✓
Structural reforms	✓	⊖	✓	✓	⊖	⊖	✗	✓	⊖	✓
Closer European economic policy coordination *	✗	✓	✗	✗	✓	✓	⊖	✓	✓	⊖
Strict interpretation of the convergence criteria *	✓	✗	✓	✓	⊖	✗	✗	✓	✗	✓
European employment policy *	✗	✓	✗	✗	✓	✓	✓	⊖	✓	✗
Competitiveness	✓	⊖	✓	✓	⊖	⊖	⊖	⊖	⊖	✓
Interest of business/enterprises	✓	⊖	✓	✓	⊖	⊖	⊖	⊖	⊖	✓
Subsidiarity	✓	⊖	✓	✓	⊖	⊖	⊖	⊖	⊖	✓
Interest of labor	⊖	✓	⊖	⊖	✓	⊖	✗	⊖	✓	⊖
Economic convergence based on the convergence criteria	✓	⊖	✓	✓	⊖	⊖	✗	✓	⊖	⊖
Modernization as liberalization	✓	⊖	✓	✓	⊖	⊖	✗	⊖	✗	✓
Closer social policy coordination *	✗	✓	✗	✗	✓	✓	⊖	⊖	✓	⊖
European policy for growth *	✗	✓	✗	✗	✓	⊖	✓	⊖	✓	✗
Democratic concerns	✗	✓	⊖	⊖	✓	⊖	⊖	⊖	✓	⊖
Inclusion of social partners on the EU level	✗	✓	⊖	⊖	✓	⊖	⊖	⊖	✓	⊖
Flexibilization of the SGP *	✗	✓	✗	✗	✓	✓	⊖	✗	⊖	⊖
Interest of the small and medium enterprises	✓	⊖	⊖	⊖	⊖	⊖	⊖	⊖	⊖	✓
Interest of the people with savings	✓	⊖	⊖	⊖	⊖	⊖	⊖	⊖	⊖	⊖
Interest of the people with small income	✓	⊖	⊖	⊖	⊖	⊖	⊖	⊖	⊖	⊖

✓ - agreed/ promoted; ✗ - disagreed/ rejected; ⊖ - not central/ absent. Points with \* - issues of main contestation.

#### **5.4. The elite discourse on the EMU in Germany between the years 2010 and 2015: the social democratic opposition and re-established convergence towards the ordoliberal discourse**

The second discursive period examined in this chapter covered two coalition governments – the CDU/CSU and the FDP coalition government of Angela Merkel (October 2009 – December 2013), followed by the CDU/CSU and the SPD coalition government of Angela Merkel (from December 2013).

##### *5.4.1. Governmental sub-discourse: Merkel government II*

The coalition government formed by the CDU/CSU and the FDP was in power from October of 2009 until December of 2013. The communications of the chancellor Angela Merkel (CDU), the Federal Minister of Finance Wolfgang Schäuble (CDU), as well as the vice chancellor and the minister of Foreign Affairs Guido Westerwelle (FDP) are regarded as representative for the governmental sub-discourse on the EMU. As this sub-discourse experienced certain changes over time, it is necessary to describe it in phases. In my opinion, three phases can be identified through this period: the first phase, from 2010 until mid-2012; the second phase, from 2012 until the end of 2013; and the third phase, which starts with the new coalition government in 2013. These phases are not solid, meaning that they do not represent a beginning and an end of a certain discursive framework. As there is a strong continuity through the whole period from 2010 until 2015, the phases are rather fluid and are meant to emphasize the dominance or loss of significance of certain discursive elements. Thus, both elements of continuity and dynamic will be described below.

Starting with those elements, which were continuously present in the governmental sub-discourse, the proclaimed goal must be mentioned first. According to the governmental sub-discourse, the main goal was to achieve the stability culture in the European Union because this stability would be the key to a stronger competitiveness. The measures of budgetary consolidation and structural reforms were promoted as the main policy tools to establish the stability culture.

The interpretation of crisis and its reasons corresponded to this logic. It is described as caused by the lack of competitiveness of some member states and large public debt due to “unsound” fiscal policies. The narrative “too many states lived above their means” was repeated in numerous communications by the government (for example Merkel, 19.05.2010; Schäuble 14.09.2011, translation S.M.). Therefore,

the crisis was described as a state debt crisis that was caused by misbehaviour and lack of the strategic vision in some member states. Consequently, the solution offered by the governmental sub-discourse was based on austerity measures and structural reforms in those member states, which must aim at “convincing” or “winning back the trust” of the financial market actors.

“Das ist zum Ersten die Schuldenkrise in einigen Staaten, also die übermäßige Staatsverschuldung auch durch die Konjunkturprogramme, die in der Krise sichtbar geworden ist, aber im Grunde auch schon vorher angelegt war”. Angela Merkel, Bundeskanzlerin, 17.11.2011.

“Wir haben es mit einer Staatsschuldenkrise zu tun. Die Schuldenstände einzelner Euro-Staaten sind zu hoch. Die Finanzmärkte haben infrage gestellt, ob diese Schuldenberge jemals wieder abgetragen werden können. Aus der Staatsschuldenkrise ist somit eine Vertrauenskrise geworden. Um Vertrauen zurückzugewinnen, müssen wir überzeugend darlegen, dass der Euro-Raum künftig ein Ort dauerhafter finanzieller Stabilität sein wird”. Guido Westerwelle, Bundesminister des Auswärtigen, 11.05.2012.

Growth and employment were considered to be an exclusively national competence. They would both be achieved through the measures that increase the competitiveness.

The ordoliberal view on economic policy, including its focus on the sound finance, was often illustrated by the successful example of Germany. In this case, the antagonistic image of good and bad was created by the description of Germany as a “growth engine” and “anchor of stability” where the politics “did its homework”; and the others – irresponsible, living wastefully, “above their means”.

“Unsere Position in Europa ist gestärkt. Wir treten nicht arrogant auf. Aber als Wachstumslokomotive und Stabilitätsanker zugleich übernimmt Deutschland eine Vorbildfunktion für die künftige Ausgestaltung Europas”. Wolfgang Schäuble, Bundesminister der Finanzen, 14.09.2011.

“Griechenland kommt nicht an harter Konsolidierung vorbei. Das Land hat jahrelang über seine Verhältnisse gelebt”. Wolfgang Schäuble, Bundesminister der Finanzen, 14.09.2011.

Consequently, the German model was offered as a pattern to be followed, and therefore the convergence on the European level should happen towards this model. Although the advantages of the Euro zone for the German economy were clearly present in the discourse, the success of the German economy was attributed to the internal reforms for competitiveness and the ordoliberal policies of the past. Nevertheless, the government claimed that all the promoted measures for crisis management in the

member states were identified through an objective “analysis”, creating an impression of neutrality and independent knowledge.

Both the ideas of eurobonds and transfer union were rejected as possible solutions in this sub-discourse. It was argued that they would undermine the competition and eliminate the impulse for the national efforts to reform. Here, it is emphasized that solidarity should not mean mutualization of risks but provision of a long-term and in depth solution for the competitiveness problem.

Another two narratives were continuously central in the governmental sub-discourse: the principles of “solidity and solidarity” (“Eigenverantwortung und Solidarität”) and quid pro quo (“keine Leistung ohne Gegenleistung”).

“Die deutsche Politik, die vom Bundestag mit großer Mehrheit getragen wird, hat zwei Säulen: erstens die Säule der Solidarität – wir haben hier oft über die Pakete der Solidarität beraten –, zweitens die Säule der Solidität. Das heißt, es geht darum, dass wir nicht wieder in eine solche Krise kommen, und auch darum, dass wir strukturell aus der Krise herauskommen. Es gibt das berühmte Wort von den Chancen der Krise. Diese Chance der Krise wird heute genutzt, indem wir unsere Währung schützen und den Ländern, die in Schwierigkeiten geraten sind, Solidarität gewähren, und indem wir gleichzeitig auch die Grundlage dafür legen, dass Haushaltsdisziplin nicht nur eingehalten wird, sondern Verstöße gegen diese auch sanktioniert werden. Das heißt, dass wir zu einer Stabilitätskultur zurückkehren, wie sie ursprünglich im Vertrag von Maastricht angelegt gewesen ist, die aber, wie wir wissen, in der Praxis, übrigens auch durch deutsches Zutun in den Jahren 2004 und 2005, aufgeweicht wurde”. Guido Westerwelle, Bundesminister des Auswärtigen, 7.03.2012.

„Es gilt weiterhin für uns, dass Solidarität auf europäischer Ebene und Eigenverantwortung auf nationaler Ebene, das heißt dass Leistung und Gegenleistung, untrennbar zusammengehören“. Angela Merkel, Bundeskanzlerin, 7.07.2015\*.

These narratives were spread in order to justify the financial assistance to the indebted countries. It basically means that solidarity will be offered under the condition of reforms only when each of the indebted countries carries responsibility for the crisis. If an indebted member state does not demonstrate the real efforts and deliver signs of improvement, there will be no financial support from the creditor states.

Concerning the case of Greece specifically, it was argued that the assistance must be compatible with the European and the German law and would only be provided based on strict conditionality. As the narrative “Greece must be controlled” was widespread in the sub-discourse, it can be interpreted that the Greek government cannot really be trusted to implement the reforms on its own. It was claimed that the aus-

terity program by the Troika would improve the Greek competitiveness in the domain of economy. Similarly, Greece was also expected to implement severe reforms of its administration in the domain of politics.

#### The first phase

As mentioned above, there are some elements of the governmental sub-discourse, which disappeared or lost their significance over the period of analysis. The first phase of discourse covers the period between 2010 and 2012. The topic of importance of European integration generally represented a significant part of the governmental sub-discourse during these years. It was claimed that the future of the country could not be separated from the European future where the preservation of the common currency plays a major role. Finally, the welfare in Germany would depend on the European welfare. While “Europe is currently at crossroads”, the deepening of integration was considered inevitable in order to resolve the crisis (Merkel, 5.05.2010).

The ideas of a debt cut and the participation of private creditors were both present in the first phase of the governmental sub-discourse. Also, the crisis itself was interpreted in such a way that the activities of private banks were made partly responsible for the situation. It was referred to primacy of politics over the financial markets and therefore the necessity to regulate the latter.

“Ich sage auch in Richtung der Banken: Wenn jemand in unserer Gesellschaft eine Gegenleistung erbringen muss, dann ist das nicht der Staat gegenüber den Banken, sondern dann sind das die Banken gegenüber dem Staat und damit gegenüber den Menschen in Deutschland. Aus dieser Verantwortung werden wir sie nicht entlassen. Deshalb werden wir uns mit Nachdruck für weitere Regulierungsmaßnahmen bei Derivaten, Hedgefonds und Leerverkäufen in Europa und weltweit einsetzen; denn das Primat der Politik gegenüber den Finanzmärkten muss – das ist mein Ziel, das ist das Ziel der Bundesregierung und sicherlich auch dieses Hohen Hauses – wiederhergestellt werden. Daran müssen wir arbeiten, und dabei werden wir nicht ruhen”. Angela Merkel, Bundeskanzlerin, 5.05.2010.

After the adoption of the Euro-plus-pact, which included the voluntary participation of private creditors, and the agreement on the content of the Basel III, the topic started to slowly disappear from the governmental sub-discourse on the EMU.

Similarly, some mistakes in the construction of the EMU were pointed out as the reasons for the crisis. The strengthening of the economic part of the EMU (eco-

conomic union) was demanded, and it was repeated that a political union should be created step by step. From the communications of the government representatives, it becomes clear what exactly they meant here: the economic stability culture should be achieved through strengthening the coordination and control over the member states' budgets. Moreover, stricter sanctions should be introduced in order to avoid the future violations. While asserting that a monetary union necessarily requires a common vision of economic policy, the latter is almost exclusively described in terms of competitiveness. What is labelled as the common economic policy here, in fact means the convergence on the German model of competitiveness.

Some of these claims of the governmental sub-discourse raise the issue of sovereignty, which was also present in the discourse of that period in a very contradictory manner. On one side, it was repeated that the member states are sovereign above their budgets and budgetary policies.

“Nein, Europa ist kein hierarchisches Gebilde, sondern eine Union. Die Länder haben Souveränität über ihre nationalen Haushalte”. Angela Merkel, Bundeskanzlerin, 9.11.2011.

On the other side, it was claimed that the connections between the members of the monetary union are so strong that one can hardly speak about independence anymore.

“Was sich in den letzten Monaten immer deutlicher zeigt: Unsere Staaten sind im europäischen Währungsraum wirtschaftlich wie politisch so miteinander verknüpft, dass man kaum noch von vollkommen unabhängigen Entscheidungen sprechen kann”. Angela Merkel, Bundeskanzlerin, 9.11.2011.

It has been claimed both that the control by the Commission of the budgetary drafts does not shrink sovereignty, and that the Euro-plus-pact provides binding regulations in the core of sovereignty.

“Es versteht sich von selbst, dass wir natürlich darauf achten werden, dass der Grundsatz der Stabilität erst einmal eingehalten wird. Deshalb finde ich die Vorschläge der Kommission, die eine frühzeitige Vorlage der Haushaltsentwürfe auch in Brüssel vorsehen, richtig; denn das schränkt nicht die Budgethoheit der nationalen Parlamente ein, gibt der Europäischen Kommission aber die Möglichkeit, Stellung zu nehmen”. Angela Merkel, Bundeskanzlerin, 19.05.2010.

“Dieser Fiskalvertrag soll dem Deutschen Bundestag in Kürze zur Ratifizierung vorgelegt werden. Damit binden sich nationale Regierungen und nationale Parlamente in noch nie da gewesener Weise in einem Kernbereich nationaler Souveränität, dem Haushaltsrecht”. Angela Merkel, Bundeskanzlerin, 27.02.2012.

Furthermore, it has been argued both that subsidiarity and democracy of the member states must be respected, and that economic policy coordination must cover sensitive areas such as labor market and tax systems. The governmental sub-discourse does not provide a resolution of these, in my opinion, contradictory statements.

Concerning Greece, it was constantly stated that the credits to Greece are not only solidarity but also economic reasoning. Stability in Greece was important, as it would otherwise endanger the stability of the Euro zone as a whole. Along with the goal of establishing of the stability culture in the EMU mentioned above, there was a goal to protect the euro zone from the dangers of contagion.

#### The second phase

The second phase is identified from 2012 until the end of 2013, when the governmental sub-discourse focused further on the competitiveness and promotion of structural reforms. These two notions became the cornerstone of the governmental communications during this period. Once the European unemployment problem, especially the youth unemployment, became the focus of European elite and public debates, the government supported the “flexible and intentional” usage of structural funds for support of the small and medium enterprises.

From my point of view, the second phase can be characterized as a transition phase where certain notions started to slowly disappear, but the discourse did not yet experience a serious transformation. Also, it must be mentioned that the total volume of communications on the topic of the EMU decreased in this period.

#### *5.4.2. Governmental sub-discourse: Merkel government III and the third phase of discourse*

With the grand coalition government of the CDU/CSU and the SPD in December of 2013, the discourse evolved further. While the Federal Chancellor Angela Merkel (CDU) and the Minister of Finance Wolfgang Schäuble (CDU) preserved their positions in the government, Sigmar Gabriel (SPD) took the position of the vice chancellor as a result of the grand coalition agreement.

In this period, the main focus of the discussions on the EMU was turned on Greece. The notion of impulses for growth appeared, but the debt cut, requested by the Greek government, was now categorically rejected. The results of the referendum in Greece on the 5<sup>th</sup> of July 2015 raised the issue of democratic sovereignty in the EU



once again. Here, the chancellor Angela Merkel argued that each member state was partly sovereign but shares common responsibility with the other member states.

„Die allgemeine Diskussion heute war sehr ernsthaft und auch sehr klar dahingehend, dass wir auf der einen Seite natürlich die Ergebnisse eines Referendums eines Landes respektieren, dass es aber auch 18 andere Länder gibt, in denen auch politische Entscheidungen diskutiert werden und dass die Entscheidung über den Euro eine Entscheidung von 19 Mitgliedstaaten ist. Das heißt, wir haben bezüglich des Euro nicht die Souveränität eines einzelnen Staates, sondern wir haben die Souveränität von 19 Staaten. Das heißt, jeder hat nur noch eine geteilte Souveränität, und wir alle haben eine gemeinsame Verantwortung“. Angela Merkel, Bundeskanzlerin, 7.07.2015.

This statement was aimed at justifying why the members of the EMU could simply ignore the results of the Greek referendum. It created an image of equality among the member states and fairness of the procedure where the Greek government with the mandate from its people was simply outvoted by the 18 other member states. It seems like the 18 other member states are homogenous and speak with one voice, which is highly questionable, taking into consideration ideological and national cleavages among the member states. Furthermore, the Chancellor herself actually acknowledged the difference in the basic understandings within the Euro-zone but argued that these differences are less important than the idea of the European unification.

„Die neue Regierung traf Anfang des Jahres auf 18 weitere Regierungen in der Euro-Gruppe, allesamt ebenfalls demokratisch gewählt, mit zum Teil völlig gegensätzlichen Wahlversprechen und politischen Grundüberzeugungen, aber mit einem gemeinsamen Bemühen: Mögen die politischen Unterschiede auch noch so groß sein, wir setzen uns dafür ein, dass Griechenland Mitglied der Euro-Zone bleiben kann; denn der Euro ist weit mehr als eine Währung, er steht wie keine zweite europäische Entscheidung für die Idee der europäischen Einigung. Dafür, dass Europa eine Schicksalsgemeinschaft ist und sich als Rechts- und Verantwortungsgemeinschaft über Parteigrenzen hinweg auszeichnet, dafür steht gerade auch der Euro“. Angela Merkel, Bundeskanzlerin, 17.07.2015.

Finally, the German Chancellor emphasized that the European agreements do not depend on elections and can only be changed by a unanimous decision in the Council. An establishment of a transfer union and debt cuts would violate the European agreements.

„Zum einen gilt: Pacta sunt servanda. Das heißt, wenn europäische Verträge ihre Gültigkeit verlieren sollen, geschieht das durch einstimmig vorgenommene Vertragsänderungen und Ratifizierungsverfahren. Es geschieht nicht, indem Einzelne aufgrund nationaler Wahlen diese Verträge einfach für null und nichtig erklären können; denn wir sind

eine Rechtsgemeinschaft. Zum anderen braucht Europa die Fähigkeit zum Kompromiss genauso wie der Mensch die Luft zum Atmen; denn wir sind eine Verantwortungsgemeinschaft. Im konkreten Fall heißt das: Enormen Eigenanstrengungen Griechenlands steht eine enorme europäische Solidarität gegenüber“. Angela Merkel, Bundeskanzlerin, 17.07.2015.

According to the Chancellor, the new Memorandum program for Greece was not different from the previous ones, except that the volume of credit is higher as well as the demand of more reform efforts from the Greek government.

Concerning the leadership of the SPD after the latter became a coalition partner in the government, its discourse transformed when compared to the time of the SPD being in the opposition. Now the pressure on the Greek government to implement serious, in-depth reforms became central. But also recognized were the dangers of a recession in Greece. These dangers should be eliminated by growth impulses, which would improve the economic conjuncture. Nevertheless, the structural reforms would have to be implemented before the investment in growth would take place. Also, the political structures in Greece must be reformed, as they play the key role in overcoming the crisis. Opposite to how the Federal Chancellor described the latest program for Greece - as basically nothing new -, Gabriel claimed that this program is not about austerity but about investment. However, the European investment would only happen in return for reforms.

„Dieses Angebot war gerade vor dem Hintergrund der kritischen wirtschaftlichen Lage und der schwierigen sozialen Lage in Griechenland formuliert worden. Es ist qualitativ neu, es zeigt einen echten Ausweg aus der Krise und es hat Rücksicht genommen auf die sozialen Härten. Dabei ging es eben nicht nur um das zweite Programm, sondern es ging vor allen Dingen auch um das Angebot, was danach kommen kann, um dauerhaft aus der Krise herauszukommen - allerdings immer verbunden mit der Voraussetzung, dass die Bedingungen, die Griechenland selbst für das zweite Programm bereits akzeptiert hatte, auch eingehalten werden“. Sigmar Gabriel, Bundeswirtschaftsminister, 29.06.2015.

Thus, Sigmar Gabriel adopted the notions of solidarity and solidity (*quid pro quo*) known from the previous phases of the governmental sub-discourse. Similarly to the Chancellor, he also revealed the difference, pointing out that Tsipras government wanted a different Eurozone.

„Der fundamentale Unterschied zwischen der griechischen Regierung und allen anderen Mitgliedstaaten der Eurozone besteht aus meiner Sicht nicht in den Details der Verhandlungen - da war man für das zweite Reformprogramm schon dicht beieinander -, sondern darin,

dass die griechische Regierung die Bedingungen der Zusammenarbeit in der Eurozone generell verändern möchte oder aber mindestens das Recht haben will, sich nicht an diese Bedingungen halten zu müssen. Deshalb, glaube ich, stellt sich die griechische Regierung sozusagen gegen Anforderungen an Hilfsprogramme und die dafür notwendigen Grundregeln der europäischen Zusammenarbeit im Euroraum. Die neue griechische Regierung hat die angebotene praktische Hilfe für Griechenland abgelehnt, weil sie politisch - man kann, glaube ich, auch sagen: ideologisch - letztlich eine andere Eurozone will“. Sigmar Gabriel, Bundeswirtschaftsminister, 29.06.2015.

#### *5.4.3. Parliamentary sub-discourse: the CDU/CSU, the FDP, the SPD, the Bündnis 90/die Grünen, and the Linke*

The sub-discourse of the CDU/CSU expressed in the communications and voting in the parliament, can also be divided in two phases. In the first phase, the discussions were concentrated on the changes that would be necessary on the European level. In this context, the parliamentarians mainly argued for stricter stability rules and more control over the member states' budgets. The main goal then was the stabilization of the EMU. Also, the absence of an insolvency procedure for the EMU member states and of a European statistic agency, which would reduce the chance of cheating by the member states, was in focus. Moreover, similarly to the governmental sub-discourse in its first phase, the regulation of the financial markets was present in the sub-discourse, showing distrust, especially to the activities of hedgefonds. A transfer union was explicitly rejected as a solution on the European level. Here, crises have been defined as a national problem caused by the fact that “too many member states live above their means”.

“Ich glaube, an dieser Stelle dürfen wir die Ursachen dieser Krise nicht ausblenden. Die Ursachen lagen darin, dass viele Staaten auf der Welt über ihre Verhältnisse gelebt haben und dass die Ausgaben weit über den Einnahmen lagen“. Gunther Krichbaum (CDU/CSU), 11.05.2012.

Concerning Greece and the other member states, which requested the financial assistance, it was claimed that those who ask for help lose part of their freedom.

“Denn jeder, der Hilfen von Dritten anfordert, beraubt sich gleichzeitig eines Stückes seiner Freiheiten und Möglichkeiten. Er muss akzeptieren, dass an diese Hilfen und Forderungen Bedingungen geknüpft sind. Deswegen zögert Griechenland zu Recht. Es geht um die Aufrechterhaltung seiner eigenen Souveränität“. Hans-Peter Friedrich (CDU/CSU), 25.03.2010.

The second phase of the CDU/CSU sub-discourse has a stronger focus on Greece and shows a higher degree of skepticism towards providing the credits. The fraction generally supported the argumentative line of the government from the beginning of the crisis until the negotiation of the third package for Greece in the summer of 2015. While the opposition within the CDU/CSU was rather marginal before that vote, the latter showed that the opposition grew and became more skeptical towards the financial assistance to Greece. During the vote on the third package from 113 total votes against it, 63 were from the CDU/CSU. Although the majority of the members of this fraction still supported the Chancellor's policy, the inner opposition to it increased mostly with an argument of a lack of trust and disbelief that the Greek government was able or willing to advance the implementation the necessary reforms. The parliamentarians pointed out that the persistent corruption in Greece seriously hinders the reforms.

“Der griechische Staatsapparat war aufgrund von Korruption – “Vetterleswirtschaft” sagt man auf Schwäbisch – nicht in der Lage, eine prosperierende Wirtschaft auf die Beine zu stellen. Darin liegt das Hauptproblem”. Norbert Bathle (CDU/CSU), 18.12.2014.

Now and then, it was repeated that the people of Greece are sovereign to vote against the Troika programs, but so are the people of Germany sovereign to vote against the financial assistance.

“Es ist richtig, dass die griechische Regierung vom griechischen Souverän gewählt worden ist, und der griechische Souverän hat das Reformprogramm abgewählt. Aber die Menschen, die hier in diesem Saal sitzen, sind auch von ihrem Souverän gewählt, und die Menschen, die in diesem Saal sitzen, lehnen es ab, das Programm der neuen griechischen Regierung zu finanzieren. Genauso wie wir respektieren müssen, was die neue griechische Regierung vorhat, muss die griechische Regierung respektieren, was wir hier entscheiden”. Ralph Brinkhaus (CDU/CSU), 27.02.2015.

The FDP was a coalition partner in the government from 2009 until 2013 and is absent in the parliament in the following legislative period. When it was part of the coalition government, its sub-discourse was close to that of the government and the CDU/CSU. According to the representatives of the FDP, the goal of the stability culture in the EU must be reached through the budgetary consolidation. Therefore, stronger economic policy coordination on the European level was necessary and must be supported by the stricter sanctions for non-compliance.

“Jeder Einzelstaat muss seiner stabilitätspolitischen Verantwortung gerecht werden. Deshalb wollen wir die Verschärfung des Stabili-

tätspakts – das hat die Bundeskanzlerin eben noch einmal ausgeführt –, ein Frühwarnsystem sowie nach Möglichkeit automatisierte Sanktionen. Die Wettbewerbsfähigkeit ist zu stärken, und zwar auch durch eine bessere Koordinierung der Wirtschaftspolitik“. Birgit Homburger (FDP), 24.03.2011.

The introduction of an insolvency procedure has been argued for, which would include debt restructuring and participation of private creditors.

“Wir wollen – auch das ist entsprechend verhandelt worden – eine Umschuldung, also ein Insolvenzrecht für Staaten. Es ist wichtig, dass es eine Beteiligung privater Gläubiger an Hilfsmaßnahmen geben wird. Das darf nicht nur eine theoretische Möglichkeit bleiben“. Birgit Homburger (FDP), 24.03.2011.

The crisis was presented to be a national problem, and it was emphasized that the member states carry the sole responsibility for their debts. The idea of the eurobonds was described as not being compatible with the German constitution. In order to solve the crisis, Greece must be controlled, and the country must improve its competitiveness through in-depth reforms.

The SPD was in opposition until the grand coalition government in 2013. In that period the financial crisis and policy failures were identified as the reasons for the EMU crisis. While being in opposition, the parliamentarians from the SPD generally supported Merkel’s measures for stronger competitiveness in Europe as well as the idea of budgetary consolidation. However, they also demanded a debt cut, participation of private creditors, and a financial transaction tax. More fairness was demanded in the austerity programs, which were generally supported but at the same time were criticized as a partial solution.

“Und trotz aller drastischen Sparprogramme gelingt es Griechenland und Portugal nicht, Defizite abzubauen und die Schuldentragfähigkeit wiederzugewinnen. Beide Länder stecken in einer Abwärtsspirale: Drastische Einschnitte nicht nur bei konsumtiven, sondern auch bei investiven Staatsausgaben verschärfen die Rezession“. Sigmar Gabriel/Franz-Walter Steinmeier (SPD), Europa ist in der Krise – Wir brauchen ein starkes Signal für die Zukunft der europäischen Einheit, 18.07.2011.

It was claimed that there should be a stronger focus on growth in Europe, and that some targeted investments would be necessary.

“Wir wollen dafür Sorge tragen, dass in Europa endlich wieder in Wachstum und Beschäftigung investiert wird, damit wir aus der Schuldenkrise herauskommen“. Sigmar Gabriel (SPD), 8.09.2011.

The main goal expressed by the members of the party was the reduction of economic divergence among the member states of the Euro zone. The idea of eurobonds was therefore supported by the SPD.

“Wir brauchen eine limitierte Gemeinschaftshaftung der gesamten Euro-Zone für die Anleihen ihrer Mitglieder. Sie ist erforderlich, um auf Dauer eine Beruhigung der Finanzmärkte zu bewirken. Über intelligente Modelle kann ein Teil der Schuld gemeinschaftlich besichert werden, während exzessive Verschuldung weiter im nationalen Risiko verbleibt”. Sigmar Gabriel/ Franz-Walter Steinmeier (SPD), Europa ist in der Krise – Wir brauchen ein starkes Signal für die Zukunft der europäischen Einheit, 18.07.2011.

Concerning the European polity, the SPD usually argued for a political union, which presumed equally more control over the member states budgets and certain level of harmonization of tax as well as social policies. Such a political union would require a transfer of national sovereignty on the European level. The crisis itself was also defined as the crisis of leadership. The crisis management was claimed to be undemocratic and restrictive of the sovereignty of parliaments.

“In der jetzigen Situation fallen zwei Krisen zusammen: die Überschuldungskrise einzelner Mitglieder der Euro-Zone und die politische Führungskrise innerhalb der Europäischen Union insgesamt. Längst hat sich daraus eine echte Vertrauenskrise entwickelt, denn selten standen die Bürgerinnen und Bürger der EU den europäischen Institutionen, den Parteien, Parlamenten und Regierungen Europas so skeptisch und ablehnend gegenüber wie heute. Antieuropäische Resentiments nehmen zu und das Fehlen jeder Perspektive und Hoffnung treibt in den krisengebeutelten Mitgliedsstaaten die Anti-Europäer und Neo-Nationalisten in die Parlamente und Regierungen”. Sigmar Gabriel/ Franz-Walter Steinmeier (SPD), Europa ist in der Krise – Wir brauchen ein starkes Signal für die Zukunft der europäischen Einheit, 18.07.2011.

The European level should not only take over competences but also guarantee the democracy in Europe through stronger parliamentarisation.

“Die Bürger sind nicht müde an Europa, aber sie sind müde an der Organisation Europas. Um diese Kluft zu überwinden, muss Europa aus dem Zustand vornehmlich intergouvernementaler Beschlüsse herausgeführt werden. Es bedarf einer Parlamentarisierung europäischer Entscheidungsprozesse mit Blick sowohl auf das Europäische Parlament als auch auf die nationalen Parlamente”. Peer Steinbrück (SPD), 24.03.2011.

Finally, concerning the case of Greece, the representatives of the SPD pointed out that only through investment and increase in employment would Greece be able to recover. Therefore, the finances from the structural funds should be used to this purpose.

Despite conditionality and austerity programs initiated on the European level, one should avoid the impression of Greece being governed from outside.

As soon as the SPD became a part of the grand coalition government in 2013, its discourse developed further. In the new phase of the SPD sub-discourse, the representatives of the SPD pressured Greece to implement the reforms. It was still stated that growth impulses are necessary, as a deep recession would only increase the debt, but there were some doubts expressed as to whether was Greece ready for them in terms of its political structures. Therefore, the European investment should only follow in return for reforms. It was also mentioned that the Greek government led by Tsipras prefers a different Eurozone. The narrative of solidarity and solidity (i.e., solidarity in exchange for the country's own reform efforts) was adopted from the discourse of the previous government. The definition of solidarity has been changed from "urgent support" to "Hilfe zur Selbsthilfe".

""Solidarität" heißt für uns übrigens immer: Hilfe für die, die bereit sind, sich selber anzustrengen, im Rahmen ihrer Möglichkeiten, im Rahmen dessen, was man zumuten kann. "Solidarität" heißt: Hilfe zur Selbsthilfe. Das ist die Grundlinie sozialdemokratischer Politik bei diesen Rettungsprogrammen". Thomas Oppermann (SPD), 17.07.2015.

The Bündnis 90/die Grünen was in opposition through the whole period of the analysis here. Its sub-discourse was rather stable in this period, without significant changes. The representatives of this party considered the EMU as a gain in sovereignty and therefore demanded a closer economic coordination and common economic policy in the EMU members. The reason for the crisis was described as economic (performance/policy) differences among the Euro-zone member states and a large public debt due to the unsound fiscal policies. The Bündnis 90/die Grünen criticized the demand based on credit in the Southern Europe and called for a targeted investment and increase in internal demand in the surplus countries.

"Über seine Verhältnisse kann nur leben, wer Kredit bekommt. Deutschland hat von dieser kreditfinanzierten Nachfrage nach seinen Produkten gut gelebt. Es wurde Exportweltmeister auf Pump". Jürgen Trittin (Bündnis 90/die Grünen), 29.11.2010.

"Zum Ziel führen zwei Wege: Man macht sie (Defizitländer – SM) durch gezielte Investitionen wettbewerbsfähiger, und man verbessert die Binnennachfrage in den Überschussländern". Jürgen Trittin (Bündnis 90/die Grünen), 29.11.2010.

The idea of a transfer union was rejected, although there was support for the introduction of eurobonds. In the debate on the third package for Greece, the Bündnis

90/die Grünen demanded a debt cut and expressed strong criticism of the European political process as being non-democratic.

“Ich sage Ihnen als Parlamentarierin ganz offen, dass es mich dauert, wie mit der parlamentarischen Demokratie umgegangen wird. Dabei geht es nicht nur darum, dass in Griechenland innerhalb von zwei Tagen Entscheidungen getroffen werden sollten – ich möchte mal sehen, was wir in so einer Situation gemacht hätten –, sondern auch darum, dass dafür gesorgt werden soll, dass alles immer vorab vorgelegt wird. Ich glaube nicht, dass wir als Parlament uns das gefallen lassen würden”. Katrin Göring-Eckardt (Bündnis 90/die Grünen), 17.07.2015.

Finally, the discourse of the Linke party, which remained in opposition through the whole period of the analysis, also rejected the austerity policies as a solution due to lack of fairness and inefficiency of the measures.

“Die Ergebnisse der Umsetzung der unsozialen und ungerechten Forderungen und der Politik der Troika sind: Arbeitslosenquote bei 26,2 Prozent, Jugendarbeitslosigkeit bei 52 Prozent, Mindestlohn abgesenkt, Mehrwertsteuer auf 23 Prozent erhöht, Arbeitslosengeld gesenkt und auf ein Jahr begrenzt und, und, und. Da sagen Sie: “Griechenland macht Fortschritte“? Sie haben gesagt: “Diese Anstrengungen beginnen sich für die Menschen in Griechenland auszuzahlen”. Herr Schäuble, für die Menschen ist diese Politik in Griechenland, die Sie mit vertreten, eine Katastrophe”. Dietmar Bartsch (Die Linke), 18.12.2014.

Strong democratic concerns were expressed by the representative of the Linke with regard to the crisis management and to the European Union generally. The solution offered by the Linke included targeted investment, eurobonds, and higher levels of taxation all over Europe.

#### *5.4.4. Sub-discourse of the Bundesbank*

The Bundesbank re-affirms its ordoliberal approach to the economic policy throughout the entire period of analysis. The institution emphasized that the root of the crisis lies in the differences in economic performance and policies among the Euro-zone member states, as well as the lack of competitiveness by some members compared to the others. According to the Bundesbank, in order to be successful, the common European currency requires a broad package of reforms, which would restore the competitiveness of certain member states. The institution supported the adoption of the Fiscal Compact as a step in the right direction; however, it was regarded as insufficient. The main goal should be the modernization of industry, services, administration, and protection of the price stability. Stabilization of the EMU



was presented as a common European interest. The Bundesbank insisted upon the strict conditionality in exchange for the financial assistance to Greece because the country must be pushed to reforms.

The personalities who led the Bundesbank during the period of analysis (Axel Weber until 2011 and Jens Weidmann from 2011) openly disagreed and criticized the ground breaking decisions of the ECB in the crisis management, including the purchase by the ECB of the governmental bonds of the indebted members of the Euro zone from the secondary market and preservation of continuously low interest rates. The ECB was accused of overstretching its mandate and of mutualizing risks.

„Meine Damen und Herren, das Mandat des Eurosystems lautet, Preisstabilität im Euro-Raum zu sichern. Es lautet nicht, die Solvenz von Mitgliedstaaten zu sichern, indem solche Haftungsrisiken über die Notenbankbilanz vergemeinschaftet werden. Über eine Vergemeinschaftung von Haftungsrisiken sollten die dazu legitimierten politischen Akteure entscheiden, also die Parlamente und Regierungen. Und bei diesen Entscheidungen müssen die Grenzen beachtet werden, die die Europäischen Verträge in dieser Frage setzen. Außerdem muss die Geldpolitik Acht geben, nicht ins Schlepptau der Finanzpolitik zu geraten. Denn dann könnte ihre Fähigkeit, für ein stabiles Preisniveau zu sorgen, zunehmend beeinträchtigt werden“. Jens Weidmann, Präsident der Deutschen Bundesbank, 23.09.2015.

In several statements, the Bundesbank confirmed a strong disagreement within the ECB's board of governors, and that the ordoliberal position represented by the German central bank is in a minority there. Jens Weidmann pointed out that the main problem of construction and of the latest development of the EMU was the separation of liability and control where the community takes over liability without having any control over the national economic development due to sovereignty.

„Die Einheit von Haftung und Kontrolle ist nach meinem Dafürhalten aber zentrale Voraussetzung für eine stabile Statik der Währungsunion... Der Ende Juni präsentierte Bericht zur Zukunft der Währungsunion, den Kommissionspräsident Juncker mit den Präsidenten Tusk, Dijsselbloem, Draghi und Schulz verfasst hat, zielt nach meiner Einschätzung eindeutig in Richtung Zentralisierung und Risikoteilung. Zur Übertragung von effektiven Kontrollrechten, gar Souveränitätsrechten sagen die fünf Präsidenten aber nichts – aus verständlichen Gründen, könnte man hinzufügen. Die Bereitschaft zu einem veritablen Souveränitätsverzicht ist unter den europäischen Regierungen nämlich sehr gering ausgeprägt. Und die nationalen Parlamente bestehen auf ihrem vornehmsten Recht, dem Haushaltsrecht. Man lässt sich eben ungern reinreden“. Jens Weidmann, Präsident der Deutschen Bundesbank, 23.09.2015.

According to Weidmann, the EMU can be successful without a political union if it is based on individual responsibility of the member states and a hard institutional framework, which goes beyond the measures of the Fiscal Compact.

#### 5.4.5. *The German trade union association: Deutsche Gewerkschaftsbund (DGB)*

According to the association of the German trade unions, the crisis has its roots in the unregulated financial market and economic divergence in the euro zone.

“Seit Gründung der europäischen Währungsunion ist die Kluft zwischen Nord und Süd immer größer geworden: Die Unterschiede in der wirtschaftlichen Leistungsfähigkeit sind gewachsen. Die zwangsläufige Folge sind steigende deutsche Überschüsse einerseits sowie steigende südeuropäische Defizite andererseits. Langfristig kann das nicht gut gehen. Früher oder später können die Defizitländer nicht mehr zahlen”. Claus Matecki, DGB-Vorstandsmitglied, 25.03.2010.

The organization expressed its concerns about the austerity policies, which can lead the Euro zone members into a deep recession. The Troika policies were considered unfair and unsuccessful in the resolving the crisis. Moreover, the measures attacked the labor rights and endanger the tariff autonomy protected by the German law.

“Die radikale Zerstörung von Arbeitnehmerrechten der vergangenen Jahre muss rückgängig gemacht werden. Sie hat nicht zu Wachstum, sondern zu Armut und Ungerechtigkeit geführt. Wenn die Vereinbarung zwischen den Gläubigern und Griechenland jetzt eine “Überprüfung und Modernisierung der Verfahren für Tarifverhandlungen” fordert, dann müssen die in den EU-Verträgen vorgesehenen Grundrechte sofort wiederhergestellt werden”. Stefan Körzell, DGB-Vorstandsmitglied, 16.07.2015.

The DGB argues in favour of a European fund for growth and targeted investment that would provide impulses to end poverty. Sustainability and innovation were presented as the central ideas of resolving the crisis. Similarly to some other actors, the DGB supported the idea of debt restructuring in the first years of crisis but later spoke out against the debt cut in the case of Greece. Concerning the latter case, the trade union criticized the reform programs and demanded the elimination of persistent corruption as well as creation of new opportunities for growth in Greece.

“Mit Reformen, die an den tatsächlichen Problemen Griechenlands ansetzen, hatte all dies nichts zu tun. Keines der strukturellen Probleme des Landes wurde gelöst, es wurden aber zusätzliche geschaffen. Es war eine Politik des Abbaus, nicht des Aufbaus....Wirkliche Struktur-reformen machen ernst mit der Bekämpfung von Steuerhinterziehung und Steuerflucht. Wirkliche Struktur-reformen bekämpfen Klientelpoli-

tik und Korruption bei öffentlichen Aufträgen. Die neue griechische Regierung ist herausgefordert, ihre eigenen Wiederaufbau- und Entwicklungsprojekte vorzulegen, die Teil eines "Europäischen Investitionsplanes" werden müssen, wie er seit langem von den Gewerkschaften gefordert wird, und die Voraussetzungen dafür zu schaffen, dass derartige Projekte Früchte tragen können". DGB, 2.02.2015.

#### 5.4.6. *The German employers' association: Bundesvereinigung der Deutschen Arbeitgeberverbände (BDA)*

According to the largest employer association in Germany, the BDA, it has been necessary to deal with the problem of growing public debt for a longer period already, and in the light of the crisis, it became an emergency. Therefore, budgetary consolidation and austerity programs were unavoidable and must have been implemented as soon as possible. The main goal now would be winning back the trust of markets.

Similarly, structural reforms were regarded to be essential in light of the strong necessity to revitalize the labor market. The association identified the source of the crisis partly in the growth of the unit labor costs and the resulting losses in competitiveness.

"Der massive Verlust an Wettbewerbsfähigkeit einiger Mitgliedstaaten durch zu stark gestiegene Lohnstückkosten ist Teilursache der gegenwärtigen Krise. Es ist daher richtig, dass das neue Verfahren zur Vermeidung makroökonomischer Ungleichgewichte auch die Beobachtung der Lohnstückkostenentwicklung in den Mitgliedstaaten vorsieht. Die Koordinierung in diesem Bereich sollte alle Faktoren der Lohnstückkosten, insbesondere auch Flexibilität, Produktivität, gesetzliche Rahmenbedingungen und Abgaben berücksichtigen. Sie darf nicht zu Eingriffen in die nationale Lohnfindung und die Autonomie der Tarifvertragsparteien führen". BDA, October 2014.

As the BDA constantly stated, competitiveness was the key to growth. Therefore, every member state should introduce reforms in order to re-build its own competitiveness. In this situation, tax increases and higher social security would be counterproductive and should be avoided.

As the stability of currency is a common European interest, measures must be taken in order to deepen and stabilize the EMU. These measures should include closer economic policy coordination and more control over the member state budgets.

"Zur Sicherstellung des gemeinsamen europäischen Handelns müssen auch europäische Kontroll- und Eingriffsrechte akzeptiert werden, die

ein nationales Abweichen vom Weg zu Wettbewerbsfähigkeit und soliden Staatsfinanzen nicht zulassen. Dazu gehören zum Beispiel verbindliche Obergrenzen für die Verschuldung der Mitgliedstaaten und automatische Sanktionen bei deren Nichteinhaltung. Niemand verliert sein demokratisches Recht und seine nationale Souveränität, die Bedingungen nicht zu akzeptieren. Nur muss er dann die Konsequenzen auch alleine tragen und den „Club“ verlassen“. Dieter Hundt, Arbeitgeberpräsident, 13.08.2012.

Therefore, the president of the BDA claimed that the member states must carry responsibility for their debt, and financial assistance should be provided in exchange for reforms only. Transfer union and eurobonds would eliminate the need for the national reform efforts.

“Auch eine Transferunion zwischen den Euro-Ländern lehne ich entschieden ab! Weil das eine Einladung zum unsoliden Haushalten wäre. Zugleich würde der Wohlstand der Europäischen Union gefährdet, weil die erfolgreich wirtschaftenden Länder bestraft und die Empfängerländer dauerhaft am Tropf hängen würden. Es muss vielmehr darum gehen, die Wettbewerbsfähigkeit aller EU-Länder zu verbessern“. Dieter Hundt, Arbeitgeberpräsident, 12.12.2010.

Concerning democracy and inclusion, in its statements, the BDA affirmed that the member states of the EMU have already given up their sovereignty, and the social partners should necessarily be included in the European semester. Nevertheless, the association advised against the double structures in the inclusion of social partners on both the national and European levels. The existing Committee for Social Dialog should be used for inclusion at the European level.

#### *5.4.7. Summarizing the discourse analysis*

Analysing the discourse on EMU in the period from 2010 until 2015, only between 2010 and 2012 can a dominant and oppositional discourses be clearly separated. During this period, the dominant discourse was represented by the government of Merkel, the CDU/CSU, the FDP, the Bundesbank, and the BDA (ordoliberal coalition). The oppositional discourse was promoted by the SPD, the Bündnis 90/die Grünen, the Linke and the DGB (social democratic coalition). These two coalitions described different sources of crisis and therefore also argued in favour of the different solutions. The ordoliberal coalition insisted that the overly high budgetary spending and the loss of competitiveness due to lack of reforms were the main sources of the crisis. It was therefore described as a national problem and national responsibility. On the other hand, the social democratic coalition regarded the European dynamic as be-

ing at least partly responsible for the crisis because the European level lacks a mechanism for counteracting the growing divergence of the economies in the EMU. Correspondingly, there was a difference in the assessment of the measures, such as debt cut, further growth strategy, and eurobonds. The oppositional discourse therefore challenged a significant part of the agenda of the ordoliberal coalition. In 2012, these discourses slowly started to converge towards the dominating discourse. There are several reasons why the two discourses converged. First, the SPD sub-discourse changed slightly, absorbing certain demands of the ordoliberal coalition such as strict conditionality for credits and demands of the structural reforms from the Greek government. Second, certain demands were dropped or simply disappeared from the social democratic sub-discourse in 2012, as the decisions on the EU level have already been made, and the focus of the agenda shifted. This was the case with the eurobonds and demands of stronger economic policy coordination. Finally, dissenting too much from the dominating discourse was politically risky in light of the forthcoming elections and the growing scepticism of the population towards the European solidarity measures.

Generally, the nodal points of the discourse were budgetary consolidation and austerity, economic growth, necessity of structural reforms, economic divergence among the member states, and possible European measures for the crisis resolution. As mentioned above, the dominating and oppositional discourses were different in their central assumptions on the origin of crisis and measures necessary to resolve it. Thus, the main points of contestation included the necessity of European measures for growth and employment as well as eurobonds and a debt cut. Also, the democratic aspects in the context of the crisis management were present and contested throughout the period of analysis.

Concerning the interests that the discourses represent, the explicit references were quite abstract. The government often referred to the national interest (“Germany”, “our population”, “us”) and to the European interest. Yet the dominating discourse (including the governmental sub-discourse) was generally in line with the discourse of the private enterprises and capital owners that is also confirmed by the sub-discourse of the BDA. Although the references to the German or European interest were present in the discourse of the social democratic coalition, it also often mentioned the labour and labour rights.

This period of analysis demonstrates stronger contestation and a higher degree of scepticism than the previous one, especially in the first two years, when two alternative visions of crisis and its solution were presented. Yet again, the ordoliberal coalition, which included the government, represented the country during the negotiations and was able to enforce its vision in the legislation. Although in the first phase of the governmental sub-discourse some signs of adaptation to the oppositional discourse can be identified (especially, concerning participation of private creditors and responsibility of the financial markets), it later returned to the classic ordoliberal agenda and remained stable thereafter. Simultaneously, as both the CDU/CSU and the SPD performed successfully in the parliamentary elections of 2013, together gaining over 67% of votes, it can be argued that the citizens' attitude towards the position of these two parties and the government in the Euro zone crisis was neutral or positive, re-affirming legitimacy of those policies.

The analysis of the domestic discourse in Germany showed that the moral discourse was substituted by a pragmatic discourse. This aspect has certain implications at the European level because it strengthens the economic nationalism and undermines the European identity and solidarity. Also at the European level, ordoliberalism was challenged and needed to re-establish its dominance. Generally, the discourse did not appear to be a dialog where the actors would search and find solutions together but a unilateral justification where one argued in terms of a general interest, while pursuing a specific one. It is an especially negative development that the dominating discourse gave no regard to the demands of the actors with important stakes in the issue (such as the DGB) whose preferences were either ignored or claimed to be against the law. In terms of context, the dominating discourse and the policies it promoted will result in the further weakening of the labor, as the ordoliberal economic policy discourse puts this group of the population in the position of the main shock absorber and adjustment mechanism in uncertain times when the country faces economic challenges.

Table 5: Discourse analysis in Germany, 2010-2015

	Merkel gov. II		Merkel gov. III	CDU/CSU	FDP	SPD		Bündnis 90/die Grünen	Linke	Bundesbank	DGB	BDA
	Ph. 1	Ph. 2				Opp.	Gov.					
Budgetary consolidation/austerity	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✗	✓
Competitiveness	✓	✓	✓	✓	✓	✓	○	○	○	✓	○	✓
Strict conditionality in exchange for credits	✓	✓	✓	✓	✓	○	○	○	○	✓	○	✓
Structural reforms	✓	✓	✓	✓	✓	○	○	○	✗	✓	○	✓
European stability culture	✓	✓	✓	✓	✓	○	○	○	○	✓	○	✓
More control over member states	✓	✓	✓	✓	✓	○	○	○	○	✓	○	✓
National responsibility for reforms	✓	✓	✓	✓	✓	○	○	○	✗	○	○	✓
State debt crisis	✓	✓	✓	✓	✓	○	○	○	✗	○	○	✓
Impulses for growth/ targeted investment	○	○	✓	○	✗	○	○	✓	✓	○	✓	○
Strengthened economic policy coordination	✓	○	○	○	✓	○	○	✓	✓	✓	○	○
Regulation of the financial market	✓	○	○	✓	○	○	○	○	✓	○	✓	○
Democratic problems*	○	○	✗	✗	○	○	○	✓	✓	○	✓	✓
European growth policy*	✗	✗	○	○	✗	○	○	✓	✓	○	✓	○
Reduction of the economic divergence	○	○	○	○	○	○	○	✓	✓	○	✓	○
Private creditors' participation	✓	✗	✗	✓	✓	○	○	○	○	○	○	○
Stricter sanctions	✓	○	○	✓	✓	○	○	○	○	○	○	○
Debt cut*	✓	✗	✗	✗	✗	○	○	✓	○	○	○	○
Eurobonds*	✗	✗	○	✗	✗	○	○	✓	✓	○	○	✗
European integration	✓	○	○	○	○	○	○	✓	○	○	○	○
Harmonization of tax and social policies	○	○	○	○	○	○	○	○	✓	○	○	○
European measures to increase the employment*	✗	✗	○	○	✗	○	○	○	✓	○	✓	○
Dangers of contagion	✓	○	○	○	○	○	○	○	○	○	○	○
Transfer union	✗	✗	✗	✗	✗	○	○	✗	○	○	○	✗

✓ - agreed/ promoted; ✗ - disagreed/ rejected; ○ - not central/ absent. Points with \* - issues of main contestation

## **Chapter 6: Greece**

### **6.1. Economic and monetary policy in the Hellenic Republic before the EMU: the Greek state and economy**

#### *6.1.1. The institutional context of monetary policy: a weak central bank and the centralized state*

The Bank of Greece (BoG) was first established by the League of Nations Financial Committee in 1928 (Pagoulatos 2009: 161). In 1946, the Central Bank was brought under the authority of a governmental Currency Committee, which made the decisions on exchange rate, monetary, and credit policies. The Committee consisted of five Ministers and a Governor of the Central Bank. Therefore, the BoG did not represent an independent institution, being subjected to an extensive governmental intervention where monetary policy represented an important tool in light of the government's fiscal expansion (Oltheten et al. 2003). Money creation took place in order to finance the budget deficits and, indirectly, to operate the deficits of the nationalized enterprises. This contributed to the inflation, which reached 19 % on average between 1981 and 1990, being at that time almost three times higher than the EU average (Oltheten et al. 2003). While price stability achieved mainly through the wage restraint was associated with the authoritarian post-war governments, "a considerable section of the Greek public and body politic even positively identified a more lax and inflation-accommodating macroeconomic stance with progressive politics" (Pagoulatos 2009: 163).

The periods of the monetary expansion were often followed by the attempts of macroeconomic stabilization. Although the Currency Committee was abolished in 1982, the post-war interventionist dynamic remained until a slow process of deregulation started in 1987. The bank was first granted its full independence in preparation to the country's membership in the EMU in 1997 (Pagoulatos 2009: 162).

Therefore, unlike the Bundesbank in Germany, the Bank of Greece was not the main actor, conducting monetary policies in Greece. In fact, monetary policy traditionally served as an important tool of economic adjustment. Therefore, the nature of the Greek state and its dominating economic policy paradigm are essential for understanding the process of definition and implementation of economic and monetary policies in Greece before the EMU.

After the fall of the dictatorial regime of Colonels in Greece in 1974, the Greek state has been characterized by its over-centralized nature and concentration within the Athens area, with very little regional powers and autonomy (Ioakimidis 2001: 78). It is



a simple polity based on a unitary state structure and a majoritarian system of representation (Ioakimidis 2001). The decision-making was dominantly hierarchical, lacking transparency and with poor vertical and horizontal coordination (Ioakimidis 2001: 78). After 1974, a central feature of the Greek state was represented by the two-party polarization of the socio-political life. The two main parties – Nea Demokratia and PASOK – were usually led by a charismatic leader, who determined the options and strategy within his own party (Lavdas 1997). In the 1980s, populism was established as an important strategy within both parties where policy goals have been subordinated “to the imperatives of a ruthless pursuit of electoral success” (Lavdas 1997: 148; see also Martin/ Dinas 2010).

Although the state often dominated the arena of policy-making, several authors point to its lack of efficiency due to clientelism, over-regulation, policy discontinuity, conflicting inter-party relations, and ‘disjointed’ social dialogue (Ioakimidis 2001: 78; Featherstone/Papadimitriou 2008: 59; Sotiropoulos 1995: 7). Moreover, the Greek state generally lacked an elite civil service that could implement public policy with higher consistency and continuity (Pagoulatos 2009: 163).

#### *6.1.2. The Greek economic context: state interventionism and the key areas of economic activity*

Scholars with a historical perspective mention different reasons for the role of state in the country’s economic activity. As Tsoukalas argues, the democratic reforms representing the prototype of the Western industrial state substantially diverged from the dominant ‘pre-democratic’ and excessively pre-industrial economic and social structures of the early Greek state, and the private economic sphere was absent. Thus, the state role in the allocation of resources increased (Tsoukalas 1981). Louri and Pepelasis Minoglou present their finding that “even at her industrialization peak, Greece did not have a large industrial sector and did not enjoy the per capita income level of a ,mature‘ capitalist economy has wider implications“, confirming that Greece has never been a typical capitalist industrial economy, and “de-industrialization started before industrialization was completed“ (Louri/ Pepelasis Minoglou 2002). Therefore, the authors outline the structural continuities of the Greek socio-economic formation, such as a large public sector, the mainly commercial character of entrepreneurship, and „an incomplete transition from mercantile/family capitalism to the joint stock company/corporate capitalism“ (Louri/ Pepelasis Minoglou 2002).

In fact, before the goal of the EMU accession, the biggest political parties in the country articulated in their programmes a spectre from ad hoc state interventionism to nationalisation (or “socialisation”) of banking and industries as well as state active involvement in agriculture and regional development (see Clogg 1979). On the contrary, the liberal economic policies were often associated with the dictatorial rule of the regime of Colonels in Greece (Dimitrakos 1979: 128).

The state presence was quite intense and can be exemplified in a high employment in the public sector and the extensive regulatory role performed by the state, as well as its overwhelming participation in economic activities (Ioakimidis 2001). The state influenced economy through protectionism, transfers, and subsidies, but also directly through ownership. Tsoukalis summarized the forms of state involvement in the economy as: “(i) continuous investment in infrastructure; (ii) a long series of incentives and state aids to private industry; and (iii) provision of ample finance through the banking system” (Tsoukalis 1981: 34). In the agricultural sector, governmental influence was even more direct (Tsoukalis 1981: 34). Moreover, the Greek state fully controlled the banking system (Pagoulatos 2009; Lavdas 1997).

Strong state presence in the economic life in Greece was combined with its weak capability to collect taxes. This was the case due to a number of tax exemptions, lower rates, and also due to tax evasion (see Tsoukalis 1981: 36; Kazakos 2004). Raising the issue of the Greek tax system being unfair and regressive, Frangakis mentions the fact that about two thirds of the state revenues come from the indirect taxes and only one third from the income tax, whereas the latter is mainly based on salaries (Frangakis 2012).

Some authors discuss the regressive impact of tax evasion and its consequences for redistribution. As Danopoulos and Znidaric argue, black economy and tax evasion in Greece limits “the state’s ability to reduce poverty and bring about a more equitable distribution of wealth” (Danopoulos/Znidaric 2007: 83). Also, Matsaganis and Flevotomou came to the conclusion that the payoff of efforts to reduce tax evasion could be very substantial indeed: higher tax receipts, lower poverty, reduced inequality, and a more progressive tax system (Matsaganis/Flevotomou 2010). In fact, the welfare state in Greece has been highly selective, and support for a large number of the most vulnerable was often rejected (Matsaganis et al. 2003; Venieris 2013).

And yet the state budget was investing heavily in the infrastructure and military spending as well as financing high levels of public employment. The combination of

low revenues and high budgetary spending resulted in the dependency of the state budget on the domestic and foreign borrowing. The attempts to stabilize the economy and curb the inflation have been inconsistent and strongly dependent upon electoral cycles (Lavdas 1997).

Among the main economic activities and industries in Greece are shipping, tourism, construction, agriculture, textiles, and footwear. In its turn, the manufacturing sector and production are traditionally dominated by the small and medium-sized enterprises, often family owned (see Yannopoulos 1979: 61; Zambarloukou 2006: 218). They were therefore mostly oriented towards the domestic market and strongly dependent on the domestic consumption. These enterprises faced serious challenges due to their growing dependence upon the external finance, lack of qualified personnel, and competition within a large market (within the EU) where economies of scale are crucial (Lavdas 1997: 59-61). Another remarkable feature of the Greek economy are relatively high levels of unemployment despite a prolonged period of growth (Karamessini 2008: 51).

### *6.1.3. Mode of governance and the competitive nature of the relations between the actors: disjointed corporatism and clientelism*

In the relevant literature, the mode of governance in Greece has been described in a variety of terms: statism, ‘state corporatism’, ‘parentela pluralism’, or ‘disjointed corporatism’. The tradition of statism exists in Greece, as it was used for the protection of cohesion of the country against unwanted ideologies and social cohesion by enabling a higher degree of economic redistribution (Kalaitzidis 2010: 6), but to characterize Greece as statist state more than forty years after the fall of the regime of Colonels would be to neglect the amount of transformation the country went through in the time period since (Kalaitzidis 2010: 80). Moreover, an essential feature of statism – real state capacity to implement policy over the objections of key social groups – is potentially missing in the case of Greece (Kalaitzidis 2010: 80). Although the government often adopted the reforms despite the informal veto points, the fact that the original content of reforms by the government experienced some modifications as a result of consultations with the socio-economic actors actually proves that the informal veto points did matter. Despite a quite centralized political system (Kalaitzidis 2010: 68) as well as frequent unilateralism and exclusion (Pagoulatos 2002: 202), I do not think that the statist description would be an accurate one in this context.

Especially during the early 1990s, trade unions became more autonomous from the government, and the liberalization of collective bargaining took place. In fact, the relations between government, trade unions, and employer associations also obtained some corporatist features, mainly “representational monopoly, incorporated into policy making as co-responsible partners” (Featherstone/Papadimitriou 2008: 45). Nevertheless, since the early 1990s, social dialogue had a ‘stop-and-go’ character, “discrediting it as a process and creating further mistrust” (Featherstone/Papadimitriou 2008: 47). Kostas Lavdas describes the state-society relations in Greece as disjointed and asymmetric corporatism, “whose fragmented functioning constrained the liberal elements in the economic system while at the same time finding it difficult to broker social pacts and intersectoral agreements beyond wage negotiation” (Lavdas 1997: 86). He argues, “disjointed corporatism is the most appropriate for analysing the mix of sectoral corporatism and pockets of state corporatism and of pluralist arenas characteristic of the Greek policy pattern” (Lavdas 1997: 5). This type of corporatism “denotes the combination of a set of corporatist organizational features and a prevailing political modality that lacks diffuse reciprocity and remains incapable of brokering social pacts” (Lavdas 1997: 17).

Summing up, corporatism failed to establish a process of negotiation of social pacts in Greece for historical reasons, and tripartite became rather ad hoc (Lavdas 1997: 87; Zambarloukou 2006: 220). Moreover, in the climate of strong competition of actors for the public resources, Featherstone and Papadimitriou emphasize the existing conflict of interests, antagonism, and distrust in the state-society relations that blocks consensus and a stable social dialogue (Featherstone/Papadimitriou 2008: 46-48, 201). Zambarloukou argues that the absence of a culture that would promote a dialogue and consensus is another reason why corporatism has not been established:

„Social actors were accustomed to influencing the state through their particularistic ties with political actors rather than through official channels of consultation. For unions, reaching a compromise was made more difficult by the partisan divisions that run across the labour movement and the close connection between political parties and union leaderships“ (Zambarloukou 2006: 221).

Greece represents a case of a strong fragmentation of interest groups where some key interests are underrepresented in the state-society negotiations (for example, small and medium enterprises, which actually dominate the Greek economy, Featherstone 2003: 935).

In the literature, the Greek trade unions are often described as having quite a confrontational approach to the collective bargaining. For example, in an attempt to assess “will and capability of the national government to deliver on an agenda it has signed up to”, Featherstone and Papadimitriou scrutinized the process of the reforms in three important sectors – pension reforms, privatization of the Olympic Airlines, and labor market reforms (Featherstone/Papadimitriou 2008). They came to the conclusion that the government’s relations with the major social partners have been the key area of reform blockage where “the domestic system was structured in a manner that appeared to militate against consensus and delivery” (Featherstone/Papadimitriou 2008: 16).

Nevertheless, the examples of trade union militancy co-exist with those of accommodation. In the 1990s, the General Confederation of Greek Workers (GSEE) decided for a more consensual and less confrontational strategy, mainly because of its desire to retain the political influence under changing economic and political conditions (high unemployment, country’s EU orientation) (Zambarloukou 2006: 219). Although this shift was not solidified and unchallenged (as, for example, the case of opposition to Karamanlis reform in 2001 demonstrates), it allowed for some structural and labour market reforms (Reppas reform in social security in 2002, labour market reforms in 1998, 2000, and 2004, etc.).

A number of authors mention patron-client relations and networks of ‘dependencies’ as a defining feature of the political life in Greece (see Pagoulatos 2009, Clogg 1979, Lavdas 1997; Trantidis 2016). Clientelism is defined here as a distribution of resources by a political power through an agreement, which creates mutual obligations of reciprocity, and where politicians – the patrons – make the allocation of economic resources and social opportunities “dependent on the political support of the beneficiaries – their clients” (Trantidis 2016: 6). Ioakimidis believes: “the state was used by political parties as a means of distributing favours in order to maximize their electoral appeal” (Ioakimidis 2001: 78). Another author emphasizes that clientelism represents “the predominant form of political mobilization and interest accommodation in Greece” (Trantidis 2016: 23). Through clientelistic exchange, both dominating parties, the Panellinio Sosialistiko Kinima (Πανελλήνιο Σοσιαλιστικό Κίνημα or PASOK) and the Nea Dimokratia (Νέα Δημοκρατία or ND), were able to build large and active support bases, reducing the degree of political contestation and protecting the political significance of both these parties from the ‘outsiders’ with a remarkably “stable pattern of political alignments” (Trantidis 2016: 225). In fact, the clientelistic practices

evolved from the individual to the collective level where a governing party ‘colonized’ the state apparatus, acting as the main agent of patronage and controlling the allocation of public resources (Lavdas 1997: 53).

As it often happens, in the case of Greece, clientelism was accompanied by corruption where not only local but also foreign companies were involved (for example, cases of Athens stock exchange, Siemens, 2004 Summer Olympic games etc.; see also Spiegel 11.05.2010). In most these cases, corruption went unpunished. Polychroniou summarized the condition of clientelism and corruption as follows:

“While practicing populist policies to keep voters content and pursuing strategies designed to appease the country’s vested economic interests, Greek governments since the reestablishment of democracy have, without exception, been involved in various scandals of financial and political nature by exploiting state resources to transfer wealth from the public to the private and to redistribute wealth from the bottom to the top. Similarly, bribes and kickbacks represent an integral component of the way the nation conducts its business affairs and the only possible way, in many respects, that the citizens can speed up services in the public sector” (Polychroniou 2011: 11).

Consequently, the practices of state involvement in economy adopted particularistic character “with the state subject to a pervasive ‘rent-seeking’ behavior and favoring certain sectors and interests” (Featherstone/Papadimitriou 2008: 51). As the Greek state fully controlled the banking system, the examples of clientelistic links between the public authorities and private interests included credit allocation, subsidization, procurement, and elaborate price controls (Lavdas 1997: 187; see also Ioakimidis 2001: 78). Greece was referred to as a “lawless country”, considering the state protection provided to the domestic business, industrial, and financial actors from the sanctions for labor law violations, environmental pollution, illegal construction, etc. (Polychroniou 2011: 36).

The clientelistic practices discourage political actors to behave strategically, orienting them rather towards an immediate profit from the ‘today’s situation’. They also cause distrust of the population towards politicians that is reflected in the corruption perception in Greece<sup>14</sup>. The clientelistic arrangements of interest representation are often the preferred option, “where individuals, instead of forging horizontal ties with other individuals of comparable social class or status, seek personal patrons (and

---

<sup>14</sup> The public opinion research by the Transparency International ([www.transparency.org](http://www.transparency.org)) even shows political parties, parliament and legislature, and media as being the institutions most affected by corruption.

patrons recruit clients) in most aspects of social and political life” (Sotiropoulos 1995: 4). In this situation, clientelism took over the representative function of civil society. The latter has been weak, with limited autonomy and is often dependent on the clientelistic relationships (Pagoulatos 2002: 202).

The programs aimed at re-defining the role of state in society have existed in Greece at least since the 1980s (Mitsotakis government), and the attempts to implement the “less state” reforms often failed. Featherstone and Papadimitriou mention the contradiction between the pre-liberal societal structure and liberal reforms in the 1830s when there was lack of individualism, and traditional moral standards were based on group. In this context, the authors point out some parallels with the modern clientelism and corruption in Greece, as “attitudes towards corruption have been shaped by competing notions of group loyalty” (Featherstone/Papadimitriou 2008: 40). Moreover, due to lack of bourgeoisie, there was no actor continuously promoting the ‘less state’ logic. Although the state and society underwent a significant evolution since then,

“these historical traits – of the weakness of a ‘liberal’ state tradition; of the embedded culture of clientelism, patronage, and group solidarity; and of a strong elite desire to imitate ‘Europe’ being qualified by populist reservations – are important in defining the structural legacy affecting the mindset of contemporary actors” (Featherstone/Papadimitriou 2008: 41).

## **6.2. European integration and the reform programs between 1985 and 2010**

### *6.2.1. Reform programs before 2010*

The adjustment costs of European integration and especially of the EMU were higher for Greece than for Germany because both the mandate of the ECB and the context in Greece diverged considerably from the EMU, which promoted market competition and sound finance.

Both preparation for and then the accession to the European Community in 1981 brought about certain transformation in Greece. These changes especially concerned stronger formal autonomy of the social institutions as well as a formal introduction of further channels for inclusion of interest groups into policy making. The accession certainly redefined

“the contours of public-private relations and the substance, instruments and limits of state involvement in the economy. Regulatory change, conceived as the redesigning of the rules governing public-private relations, has been associated with a shift in the modes of state involvement from ownership to regulation” (Lavdas 1997: 186).

The paradox of the Greek case is that, despite the elite consensus (with the exception of the communist party) and very high levels of public support<sup>15</sup>, Greece had one of the poorest records in implementing and upholding the EU legislation (Featherstone/Papadimitriou 2008: 5; Lavdas 1997: 155). The process of reforms itself also proves the difficulties of adjustment.

Within forty years, the Greek state experienced direct or indirect interventions in its economic policy a total of four times. The reform programs were attached to the balance of payments support loan in 1985 and 1991, the conditionality of EMU membership in late 1990s, and the austerity program of the Troika in the Greek ‘debt crisis’ from 2010. All these programs were focused on economic stabilization through the reduction of public deficits and expenditures, including some measures of privatization and structural reforms.

The Greek state appealed first for the assistance of the EC in 1985 due to the rapidly worsening fiscal position. The EC’s stabilization program was abandoned after two years, in 1987, in the face of mounting social pressures and was followed by another wave of state economic expansion (Ioakimidis 2001: 81; Pagoulatos 2001: 194). In 1991 the government under the leadership of the Nea Demokratia requested another balance of payments support loan from the EC. Again the Commission prepared an austerity program as well as a stricter surveillance mechanism. The 1991 stabilization program failed to achieve its goals, leaving the reforms incomplete and facing strong resistance of organized interests (Pagoulatos 2001: 197).

Between 1993 and 1994, Greece prepared and gradually implemented its new convergence program, aimed at the reduction of the budgetary deficit, redefinition of state’s economic role, privatization, and complete liberalization of the banking system (Ioakimidis 2001: 81-82). Nevertheless, these reforms did not suffice in order to achieve the goal of the membership in the EMU. The main transformation happened between 1996 and 2004, when the policies in almost all areas, including education, training, unemployment, pension system, etc., have been adjusted according to the Maastricht and EU guidelines (Basios/Karayiannis 2012). In the 1990s, the government under the leadership Simitis attempted to simultaneously implement liberalization and fiscal responsibility with a sense of urgency. At that time, governmental mod-

---

<sup>15</sup> The public support for the single currency in Greece was one of the highest in the EU from 1997 to 2003 and reached 82% in 2003 (Standard Eurobarometer 33-69; see also Featherstone/Papadimitriou 2008: 7).



ernization discourse was extended with the risks of exclusion from the EMU. Although this government was able to implement some serious reforms, they often exhibited path-dependent changes, largely following their pre-existing institutional patterns.

Therefore, the reforms in Greece in light of the accession to the EMU included the institutional transformation of the Bank of Greece, budgetary consolidation, cuts in the budgetary spending, privatization, and structural reforms.

First, concerning the new Bank of Greece, the law 2548 “Provisions Relating to the Bank of Greece” adopted in December of 1997 “established BoG independence from any government instructions or advice, exclusive authority in the exercise of monetary policy, a six-year renewable term for the governor and deputy governors, and a Monetary Policy Council (comprising the governor, the two deputy governors, and three additional members)” (Pagoulatos 2009: 173). Earlier, before securing its full independence, the BoG gained influence through its participation in the governmental efforts to achieve the economic stability. The normative framework of the European single market and the earlier elite networking within the expert community of central bankers through “numerous informal cooperation practices and networks, cultivating their mutual relations” are often regarded as important factors for the establishment of the monetarist paradigm within the Bank of Greece (Pagoulatos 2009: 170). After becoming a part of the Euro-system, the BoG focused on the banking supervision as well as research and information.

Being an agent of the ECB in Greece, the BoG significantly lost popularity, as it promoted wage moderation and structural reforms, including liberalization and pension reforms (Pagoulatos 2009: 179-180).

“In other words, the national central banks’s depoliticization, by way of independence from national governmental political objectives, has subjected it to far greater political controversy than it had ever elicited during its long period of supposed ‘politicization’. The answer to this apparent paradox is, of course, that, for all its technocratic robustness, central banking orthodoxy is not distributionally neutral: it affects socio-economic interests in different ways, it involves gains and losses” (Pagoulatos 2009: 180).

Second, as in the case of any other member state, the EMU also separated the ‘technical’ monetary policy from the ‘political’ economic policy in Greece. As a result, economic policy formally remained the competence of the national government. However, the SGP criteria put serious limitations and pressures of adjustment on the economic policy in Greece as its indicators originally diverged from those required in the

SGP. The efforts to achieve budgetary consolidation resulted in a decrease of the debt and public deficit levels from 97,8% of GDP in 1995 to 93,9% in 1998 and from -9,7% of GDP in 1995 to -6,3% in 1998 correspondingly (OECD data). Yet despite all the efforts, the re-examination of the Greek budgetary deficit by the Commission in 2004 led to the accusations of cheating and formally improving the statistic in order to secure the membership in the Euro-zone (Featherstone/Papadimitriou 2008: 15; Polychroniou 2011: 7). The revision of the calculations by the Greek government in 2002 resulted in significant corrections, where surpluses turned into deficit (Kazakos 2004: 908).

Third, a privatization program was implemented in Greece. According to Lavdas, the main objective of privatization was dealing with the deficit and public debt in order to meet the convergence criteria for participation in the EMU. Therefore, it was not part of the neoliberal policy ideas or party platforms (Lavdas 1997: 202). Kazakos argues further, “privatization in Greece seemed largely to take place under the confining condition that it must not disturb significantly the sclerotic and heavily politicised public-private networks and covert collusions” (Kazakos 2004: 910). It often took the form of partial privatization where some money was provided to the state, but the control over a ‘privatized’ company still remained in the hands of the state (Kazakos 2004: 910). Finally, some structural reforms also took place.

Summing up, the requirements of the EMU and the reforms it encouraged challenged the economic policy model in Greece where the state played a crucial role in economic growth and economic activity, which was mainly oriented on the domestic demand. As it was described in the previous chapter, the dominating mode of governance in Greece was characterized by a strong fragmentation of interest groups and clientelism, with some features of corporatism. This mode did not only persist but, in my opinion, was even strengthened due to the increase in competition for resources between the stronger interest groups, especially in the light of the increasing pressures of economic policy adjustment. Subsequently, the system was biased; benefitting the better-organized groups of population with a better access to the decision makers and disadvantaging the under-represented, weaker, yet legitimate interests.

The assessment of the scale and depth of reforms vary significantly among the researchers. For example, Kalaitzidis drew a rather, in my opinion, too optimistic picture of Greece’s modernization, including “changing from a truly statist society where the political party dominated the government and produced policies to a more state-

directed, liberalized, and Europeanized state” with the “economic growth rate significantly up”, and “modernization discourse has overtaken the political elites of both dominant parties” (Kalaitzidis 2010: 176). On the contrary, Featherstone and Papadimitriou while analysing the reform process in two case studies, claim that the achievements of reforms in both policy sectors were rather limited (Featherstone/Papadimitriou 2008: 19; see also Bitros 2013). As a combination of reasons, the authors mention the bad quality of administration (“institutionally weak government, with a large, low-skilled, and ill-coordinated bureaucracy”), clientelism, abuse of state resources by the prevailing interests, corruption, conflicting relationships with the social partners, and also “a number of embedded values, norms, and practices associated with the Greek identity” (normative objections) (Featherstone/Papadimitriou 2008).

“The contrasts are stark: unrestrained leadership, but lacking implementational strength; liberal democratic norms and structures with ‘rent-seeking’ behavior; social dialogue and distorted interest representation; and a small state facing daunting external challenges with a domestic structure not of consensus but of severe conflict” (Featherstone/Papadimitriou 2008: 201).

Kazakos also confirms a slow, inconsistent, and fragmented character of structural reforms in Greece. Moreover, according to him, “there has been a clear tendency to take measures that have a lesser impact on well-established interest groups and a greater impact on outsiders” (Kazakos 2004: 911; see also Matsaganis 2013: 33-34). The author argues that the absence of strong political and societal coalitions in favour of reforms in this period was the main reason for such an inefficient reform process (Kazakos 2004: 911). Generally, along with the stabilization measures, there was little done to improve the competitiveness of production structures (Frangakis 2012).

Trantidis emphasizes that the reason why all of these reform programs failed lies in clientelism and “reproduction by adaptation” of Greece’s clientelist system:

“In response to external pressures for reform, politicians in a highly clientelist system will seek to mitigate the cost of its policies on client groups and will design a reform package that preserves clientelist supply as much as possible (clientelist bias in economic reform)” (Trantidis 2016: 227).

Therefore, Trantidis explains that measures such as new taxes or general wage freeze are preferred, as these measures diffuse the costs of fiscal consolidation across the population (Trantidis 2016: 227). Yet the author admits that ideology and political miscalculations due to the lack of full information about other actors’ preferences also play an important role (Trantidis 2016: 227).

### 6.2.2. Reform programs after 2010

With the Euro zone crisis of 2010, Greece received the financial assistance in exchange for implementation of the reform programs offered by the Troika (the European Commission, the ECB and the IMF) in form of the Memorandum of Economic and Financial Policies (Memorandum). The implementation of these programs included austerity measures, such as cuts in wages in the public sector, reduction of employment in the public sector, general spending cuts (in health, education, and social services), cuts in pensions, increase in taxes, extension of the tax base to include unemployment benefits, large family, and non-contributory disability benefits (Frangakis 2013). Moreover, the labour market experienced a strong transformation as the National Collective Wage Agreement increasingly lost its validity, and the statist approach intensified (Bratsis 2010): first, in the private sector, the definition of wages moved to the industry and firm level, as the wage rates below the ones in the National Collective Wage Agreement became allowed; and second, the government unilaterally sets the minimum wage. This development resulted in a 20-50 % reduction in wages in the private sector (Frangakis 2013). While the debt cut was completely ruled out as an option in the first and third Memoranda, partial debt cut was present in the second Memorandum through voluntary participation of the private sector.

The economic crisis was accompanied by a deep political and institutional crisis. While distrust and indifference among the population was growing, the differences between the two main political parties almost disappeared. The democratic crisis culminated in the letters of intent, which members of the coalition government under the leadership of Lucas Papademos and the leaders of the two largest parties wrote to the IMF, confirming the intention to pursue the reforms despite the political pressures. The crisis of trust and legitimacy of the Greek elites did not appear out of the economic crisis, but the former significantly intensified with the latter (Frangakis 2012; Mylonas 2014; Tsakalotos 2010). This situation “complicates even further the idea of getting people to cooperate in the making and implementation of decisions” (Martin/Dinas 2010). Additionally, Kritidis mentions *de facto* censorship in the media that was enabled through the suspension of journalists and the cut of financial loans for the independent newspapers (Kritidis 2013).

The budgetary targets set in the Memoranda were often missed, whether due to the too-optimistic calculations of the Troika or the lack of action by the Greek government. In July 2011, the Ministers within the Eurogroup stated that “the responsibil-

ity for resolving the crisis in Greece lies primarily with Greece' but they also 'recognized the need for a broader and more forward-looking policy response to assist the government in its efforts' (Drossos 2011: 12). The one-sided austerity approach ignores that the deficit problem in Greece is rather due to the missing revenues than high expenditures (Tsakalotos 2010: figure 5 and 6). It also overlooks that the public employment was meant to compensate for the underdeveloped welfare state.

“The concrete functioning of the Greek political system ... ended up to constitute the basic impediment for the national and economic development; and not only: it became a vehicle of selling out the country, in exchange for the ability (of political system) to proceed to material giving's in exchange for giving's in votes. No constitutional or other legal disposition has imposed this outcome; but not impeded it either” (Drossos 2011: 27).

### **6.3. The elite discourse on the EMU in Greece between the years 1997 and 2000: the contested dominance of the neoliberal competitiveness discourse**

#### *6.3.1. Governmental sub-discourse: Simitis government*

The discursive period considered in this part of the thesis covers the term of the majority government of the Panellinio Sosialistiko Kinima (Πανελλήνιο Σοσιαλιστικό Κίνημα or PASOK) led by Konstantinos Simitis, whose communications are analysed here. The central topics of the governmental sub-discourse of that time were European integration, future benefits of the membership in the EMU, and the reforms that were necessary in order to secure this membership. The EU stimulus reflected in the wish not to become an outsider in European integration was crucial in the discourse, legitimizing the reforms and attempting to convince the population of the internal necessity and appropriateness of those reforms. The latter were also presented as an original political preference, corresponding the Greek interest. Such an approach in the discourse of the government differed from the previous years of reforms (see Pagoulatos 2001: 199) when significantly more scapegoat rhetoric was employed.

The government communicated an urgent necessity for Greece to remain at the core of European integration through its participation in the EMU, which was expected to provide a number of benefits for the Greek economy, including the significant reduction of interest rates and a better access to finance for the enterprises, price stability, and elimination of the exchange rate risks.

“Secondly, the significant reduction in interest rates, both for investment and for operational business needs. This reduction will favor predominantly Greek companies compared to businesses in the other EU

countries, and much more compared to the third countries.... From the reduction of cost of interest rates the state will generate significant savings, estimated at hundreds of billions a year. Therefore, the resources available for the provision of social and development policy will increase significantly”. Konstantinos Simitis, Prime Minister, 21.12.1998.

Therefore, the government emphasized that the reduction of interest rates would have advantages for both business activities and the state budget.

Simitis promoted a ‘modernization’ discourse with a bias towards the economic aspects, while employment and social aspects were slightly less present. His ‘modernization’ discourse implied stabilization of the economy, reforms in the public sector and in the tax system. These reforms were argued to target reinforcement of competitiveness of the Greek economy, reduction of the tax evasion, as well as the general improvement of fairness in taxation (through overall reduction of the tax exemptions). By elimination of the uncertainties connected to the unstable exchange rates and to the lack of financing opportunities for the Greek enterprises, the common currency was also expected to benefit the growth. Therefore, the EMU was described as the answer to globalization, providing conditions for both growth and social justice.

“The high growth rates in the new environment create a sound surplus, needed for the expansion of social cohesion and solidarity. Simultaneously, the EMU shields and promotes national interests, improving the new members’ international position. Within the EMU we have a shield against shocks of globalization”. Konstantinos Simitis, Prime Minister, 9.03.2000.

Within the governmental discourse, the membership in the EMU was constantly equalized with stabilization, stable currency, price stability, and reduction of risks and uncertainty. In order to address the doubts about the real possibility of Greece’s accession to the EMU, the representatives of the government often emphasized the present success of the reforms, which resulted in a drastic reduction of public debt and inflation.

Considering the issues of democracy and unemployment, the government stood under a permanent criticism from the opposition due to the aspect of full independence of the ECB and an absence of the employment criteria among the EMU’s economic policy criteria. Here, the Prime Minister argued that the European Council ultimately possesses the competence in definition of the exchange rates. Moreover, he mentioned a “European commitment to reduce unemployment” and presented harmonization in this field as ‘work in progress’:

“Ladies and gentlemen, in Vienna, following the Summit of Pörtlach, representatives of the member states decided, first of all, to support the policy for more employment in Europe and combat unemployment. There was an agreement on necessity of a European Employment Pact, but there were differences with respect to the content of the employment pact and this will be the subject of further meetings. But there was a determination to reduce unemployment and so, it will be necessary to implement new policies, particularly the strengthening of infrastructure and the development of trans-European networks”. Konstantinos Simitis, Prime Minister, 16.12.1998.

### 6.3.2. *Parliamentary sub-discourse: PASOK, ND, SYN, KKE, and DIKKI*

To begin with the majority party, the PASOK, the communications of its representatives accompanied and strongly converged with the governmental sub-discourse. Similarly to the governmental sub-discourse, the issue of reduction of the interest rates and its advantages was the central topic.

“But monetary stability means reducing risk and interest rates. The drastic reduction in the cost of credit, interest rates on a stable low level means increased investment, economic growth and job creation. It means safer and sustainable business environment, it means for the citizen, who now wish a mortgage, a real opportunity to house his family through getting a cheap loan; it means that an entrepreneur can borrow at 7% to 6% or less; it means a farmer, especially burdened today, can claim competitive prices and a higher income.... It means that the accession to the EMU reduces the public debt service costs, which will emerge from the reduction and stability of interest rates. For Greece and the Greeks whose public debt this year reached thirty-seven and a half trillion drachmas, it is of paramount importance and is directly connected to the burden on the Greek taxpayers, who pay the cost of governmental borrowing”. Minas Stavrakakis, Rapporteur of the Majority, 17.12.1998.

Moreover, the official position of the party defended the privatizations and policies oriented to the macroeconomic stability, arguing that the reforms would have to be realized independently from the requirements of the Maastricht Treaty. The party promoted an anti-inflationary approach, and argued that macroeconomic stability would promote growth. Also, PASOK emphasized the issue of European integration and importance of the membership in the EMU for Greece. Again, the EMU was equalized with more safety and certainty, improving Greece’s economic position in the world and providing an opportunity to address the challenge of globalization, especially because the membership would end the speculations on the Greek currency.

“We live in a global economy where unimaginable volumes of money are moved around the clock. On the one hand, the national states are

predictable to some extent in their reactions: there are systems of law, international organizations, diplomatic consultation channels; but what provision/guarantee is provided by an individual, registered or anonymous speculator against the people, who is exclusively oriented on profit and who is able to move without barriers huge amounts of money, endangering economies, leading to a collapse of economies, leading to disintegration of social balances, leading to knocking down political developments in national crises, affecting directly the life of every citizen, wherever he is". Minas Stavrakakis, Rapporteur of the Majority, 17.12.1998.

As the opposition often argued that the Greek economy did not actually converge with the other EU members, the issue of convergence was also present in the sub-discourse of the PASOK. It was claimed that the development of both inflation rate and public debt in Greece in fact proves the convergence. It was then expected that the growth rate would increase the convergence even further.

Concerning the social sphere, the party simultaneously promoted the liberal reforms in the economic sphere (including privatization, structural reforms, and debt reduction) and the triptych "stabilization – development – social justice", which required a stronger welfare state and active employment policy. It was also argued that the common economic policy at the European level should be strengthened:

"The features of economic policy that prevail in the European Union lack aspects of development policy, employment and redistributive mechanisms through the Community budget; the existing degree of labor mobility is not sufficient to provide functioning of the EMU project". Minas Stavrakakis, Rapporteur of the Majority, 17.12.1998.

It must be mentioned that the issues of social sphere occupied a much smaller part of the PASOK sub-discourse. In its communications, the representatives of PASOK often attempted to marginalize those who were opposing the reforms of the government, identifying them as "speculators", "demagogues", "beneficiaries of protectionism and clientelism", "selfish groups in trade unions", and "underground economy".

After the elections in 1996, the Nea Dimokratia (ND) became the largest opposition party in the parliament. The party supported the goal of membership in the EMU and promoted privatization, budgetary consolidation, structural reforms, and reforms aimed at reducing the size of the state and the scale of its interventions into economy.

"Ladies and gentlemen, if the reduction of spending and the reduction of public waste is required, it is also necessary to reduce the actual size of the state, to take all necessary corrective measures that will enable the opening of the economy and markets and that will allow Greece to have a different perspective". Georgios Voulgarakis, Rapporteur of the Minority, 17.12.1998.



Also, in the sub-discourse of the ND, economic aspects were dominant, and the central topics included the demands of administrative reforms. Therefore, the position of the ND was actually highly compatible with the policies of Simitis government. However, the ND criticized the governing party, mainly for not being able to achieve the real convergence with the rest of the EMU member states, for too late and often “not sufficient” reforms, as well as for cheating the data in order to achieve the goal of accession to the EMU. According to the ND, the government failed to prepare Greece for the years after the accession. Especially, it did not succeed in improving the competitiveness of the Greek economy.

“The competitiveness of the Greek economy lags dramatically. In a recent report of the World Economic Forum Greece is ranked forty-fourth from a list of fifty-three countries. The productivity of the Greek economy is moving steadily below the European average, 1.5% to 1.9% in Greece, 4% in Ireland and 2% in Portugal. Of course there is an index in which Greece is ahead. It is the last indicator used too much in the literature, it is the index of misery. One indicator represents namely a combination of inflation, income and unemployment all together. In this Greece is indeed ahead”. Georgios Voulgarakis, Rapporteur of the Minority, 17.12.1998.

The ND recognized a tax reform and action against the tax evasion to be urgently necessary for strengthening the Greek state. In this context, the social aspects were generally reduced to expressing concerns of high unemployment and stagnating wages.

There were three smaller oppositional parties in the parliament – the Synaspismos Rizospastikis Aristeras (Συνασπισμός Ριζοσπαστικής Αριστεράς or SYN, later SYRIZA), the Communist Party of Greece (Κομμουνιστικό Κόμμα Ελλάδας or KKE), and the Dimokratiko Koinoniko Kinima (Δημοκρατικό Κοινωνικό Κίνημα or DIKKI). All three parties generally expressed a critical position towards European integration that was also reflected in their attitude towards the membership in the EMU. Moreover, in the discourse of these actors, economic and social aspects were better balanced than in the discourse of the two dominating parties.

The main point of criticism by the SYN was the existing asymmetry of economic and social policies in the EMU:

“The EMU, which is being built in Europe, is a problematic EMU. It is EMU made in opposition and not by accommodating the demands of the left for a social Europe. It is a monetary union socially handicapped and institutionally misbalanced. Socially handicapped, because it is based solely on monetary and fiscal criteria. It is an edifice of a different era, neoliberal inspiration, but had the support, the acceptance and approval of the European social democrats, that today are concerned

about the unemployment. It left outside every social and developmental criterion. And when the Coalition was trying to propose just the necessity to broaden the criteria, we faced a wall of opposition”. Ioannis Dragasakis (SYN), 17.12.1998.

The party expressed social, democratic, and economic concerns linked to the governmental policies and the goal of membership in the EMU. First, it questioned the nominal convergence principle, which, according to the members of the party, would lead to the redistribution of income and result in deficits of social policy. Second, representatives of the SYN argued that not only did the government act outside the democratic institutions, rejecting the parliamentary debate on convergence program, but it also implemented a budget that ignores the needs of society. Third, the governmental stabilization policies were criticised for disregarding the unemployment problem, for their inability to solve the issue of external debt, and for achieving the decrease of inflation by the means of reducing the wages. Emphasizing the lack of action by the government in the domain of tax policies, the SYN argued that such inaction resulted in the persistence of the regressive and unfair tax system. As an alternative, the SYN promoted economic policies that aimed at growth and employment, raising productivity, and structural reforms. Generally, the party claimed that Greece is not prepared to become a member of the EMU:

“The Greek society enters the EMU with massive and chronic unemployment; with an anachronistic administration; a huge, yet nonexistent, state; with widespread corruption; with expanding criminality of a new type; with a public health and education system that is in stagnation; with an unfair tax system, costly and inefficient”. Ioannis Dragasakis (SYN), 17.12.1998.

Additionally, members of the SYN claimed that the large trade deficits and high levels of public debt would cancel out the possible benefits of the membership in the EMU. For example, the anticipated reduction of the interest rates would have a negative effect on the Greek economy in the long run.

The KKE criticised both the Greek government and the European framework for promoting the interests of the owners of a large capital. The party’s further concerns included the regressive and unfair tax system, as well as the degradation of the agricultural sector of economy, resulting from the governmental policies. Austerity and the unique focus on competitiveness were described as unfair and unable to provide growth.

“And the state budget is deeply a class one, it is a budget of harsh unilateral austerity, intensifying poverty for many, strengthening and en-

larging the wealth of the few. It is a budget imposing taxes on the people, ensuring profits for the plutocracy; socially unjust for the poor and middle class, devastating for the economy and the country". Nicolaos Gatzis (KKE), 17.12.1998.

The actual problems of the Greek economy have been described as a decline of production and high levels of public debt. Additionally, according to the KKE, Greece suffered under high unemployment and unfairly low labour costs. Similarly to the SYN, the KKE emphasized the bias of the economic policy against social policy at the EU level where social aspects are neglected as a criteria of development:

"Development criteria should be the type and the size of employment and unemployment, increase of income and living standards of the people, education, health, welfare, creation of better conditions of work and residence of our people, protection of environment etc." Nicolaos Gatzis (KKE), 17.12.1998.

Finally, the KKE demanded public investments in education, manufacturing, health, and welfare that were considered essential for economic development.

The DIKKI casted doubt on the future of the EMU, which lacked a robust political structure:

"The first observation is that for the first time in the World history, there is an experiment to create a currency not backed by some form of structured political power.... It is an example, for the first time in the World history, of circulation of money without pre-existing structured political power that supports it. And this is an uncertain future for the Euro by today's standards.... The question is, what happens when there are dilemmas. And dilemmas are always solved by the political power; depending on what goals it seeks to achieve. Controlled inflation and economic growth to reduce unemployment or monetary stability, economic stagnation and rising unemployment?" Anastasios Intzes (DIKKI), 17.12.1998.

The representatives of this party accused the government of failing to prepare a program for economic development, and simply implementing austerity instead. The latter was described as anti-labour and unable to ensure the real convergence with the rest of the EMU member states. The DIKKI argued that the government shifts the burden of adjustment on to the low-income population. Finally, the members of the party speculated about whether or not Greece would be able to achieve the goal of membership in the EMU, as the requirements of budgetary consolidation and public deficit had not been fulfilled.

### 6.3.3. *Sub-discourse of the Bank of Greece*

The communications by the Bank of Greece (BoG) were focused on the aspects of economic policy and provided some additional explanations of the central features of the EMU. The key topic was the encouragement of structural reforms, price stability, and budgetary consolidation. Also, the BoG promoted privatization and an increase in labour market flexibility. As the EMU would increase the competition, the institution urged the policy-makers to increase the competitiveness of the Greek economy, ensuring macroeconomic stability and a real convergence:

“The pivot of the appropriate strategy for achieving sustainable and rapid growth within the euro area should be further strengthening of the Greek economy’s international competitiveness. This can and must be achieved by completing fiscal consolidation and implementing structural reforms aimed at improving productivity and efficient functioning of the markets. To this end, a number of specific and difficult structural problems must be tackled. These relate to: social security system in view of unfavorable demographic trends; remaining rigidities in some markets, including the labor market; inefficiencies in public administration; and inadequacies of the educational system”. Lucas Papadimos, Governor of the Bank of Greece, 19.11.1999.

In the sphere of taxation, a representative of the BoG advised a tax reform (in order to prevent the flow of capital to the lower tax countries) and implementation of measures against the tax evasion.

“Tax reform is also needed to alleviate the tax burden, particularly, although not exclusively, on wage earners and to bring the tax structure into the line with that in the euro area, thereby preventing the movement of capital and labor to lower-taxed areas”. Nicholas Garganas, Deputy Governor of the Bank of Greece, 18.09.1999.

According to the BoG, membership in the EMU would bring stability to Greece as well as stimulate deregulation and withdrawal of the state from the economy of the country. The institution promoted the idea that inflationary policies do not deliver growth and that monetary policies are generally growth neutral. Nevertheless, it argued that the stability-oriented policies would promote growth. It was emphasized that the membership in the EMU would provide the Greek companies with a better access to finance, stimulating trade and investment. However, high levels of unemployment and of public debt (despite a positive development) remain an obstacle on the way to the membership in the EMU.

According to the governor of the BoG at that time Lucas Papadimos, independence of the ECB is crucial, but the latter is also committed to transparency, accounta-

bility, and inter-institutional communication. Moreover, growth and high levels of employment were claimed to also belong to the objectives of the ECB:

“Price stability is not, of course, the only important economic policy objective. Attaining sustainable and non-inflationary growth and a high level of employment are other important goals. The ECB is required to support the general economic policies in the Community and to contribute to the achievement of these goals, provided that price stability is not jeopardized. In my view, the maintenance of price stability and the attainment of sustainable growth and high employment are not conflicting but complementary objectives in the long run and, in general, over the medium term as well”. Lucas Papadimos, Governor of the Bank of Greece, 22.04.2002.

#### *6.3.4. The Greek trade union association: the General Confederation of Greek Workers (GSEE)*

The General Confederation of Workers (GSEE) demanded from the government strengthening of employment policy. The organization generally expressed a pro-integration position, although it simultaneously criticised some of the features of the EMU, such as the absence of employment as a convergence criteria. It forcefully rejected the idea of multi-speed integration in the EMU, fearing the downgrade and negative consequences for the Greek economy. The GSEE generally supported the policies of low inflation, macroeconomic stability, and structural reforms but opposed privatization, further increase in labour market flexibility, freeze of purchasing power, and abandonment of the autonomy of collective bargaining.

In fact, the GSEE expressed great concern that the EMU enforces decentralization of bargaining. The GSEE was alarmed about the high pressure to increase the flexibility of the labour market in the EMU:

“Due to the requirements of integration into the EMU and the common currency in terms of nominal convergence of the economies, current development in the employment sector proves the bias towards constantly increasing its flexibility. It is expected that the policies of flexibility of the labor market and further reduction of labor costs will take place and will be intensified in the countries, like Greece, trapped in the common currency with low levels of competitiveness, and qualitative indicators of its development will be deprived of the possibilities to intervene with the policies of exchange rate tricks, aiming at the boost of competitiveness of the national products”. INE GSEE, June 1998.

The organisation insisted on the view that the Greek labour market has already been flexible, and despite continuing efforts to make it even more flexible, the Greek econ-

omy did not achieve the goal of stronger competitiveness, and unemployment actually increased.

According to the GSEE, the EMU incorporates the bias of competitiveness against growth and the bias of the economic policies against the social policies:

“The Maastricht Treaty setting the conditions for the path to the Economic and Monetary Union reproduces the central philosophy of the Community project, which aims to achieve economic goals, by respectively downgrading its policy towards the social factor....

The adherence to the requirements of economic convergence by the definition of national policies for achieving the objectives of the EMU is dominated by neoliberal-inspired options, combined with the narrow focus on the concept of competitiveness that is interpreted in essentially unilateral perception of the need to reduce the labor costs”. INE GSEE, June 1998.

Therefore, it was argued that the strict application of the SGP criteria would inevitably lead to a recession. Moreover, the organisation criticised the unfair distribution of the burden of economic adjustment. The GSEE promoted deepening of integration and introduction of a social agenda and social dialogue at the EU level, as well as European industrial policies. It also emphasized the necessity of democratization, especially through increasing the role and responsibility of the parliament.

#### 6.3.5. *The Greek employers' association: the Hellenic Federation of Enterprises (SEV)*

The Greek employers' association, the SEV, emphasized that Greece should be at the core of European integration, and therefore greater reform efforts would be necessary in order to secure the membership in the EMU. The SEV claimed that not being able to join the EMU would have serious negative consequences for Greece, including the decline of living standards, future currency crisis, and a decrease in competitiveness of the Greek economy:

“Summing up, failure of the country to integrate in the EMU means automatically its degradation from what it is today – an equal member of the Union – to a second class member having some kind of special relations... That is why a final effort is necessary based on the right estimation of risks and benefits, taking up responsibilities and adjusting behaviors to the needs of our time”. SEV, June-July 1998.

The EMU is presented as being beneficial for economic growth and a great opportunity for the Greek enterprises in terms of trade and financing due to elimination of the exchange rate risks and reduction of interest rates. Moreover, at the national level, the

membership in the EMU was expected to establish strict fiscal policy, de-regulation, and a reduction of state interventionism.

Yet it was argued that the success of the Greek economy would depend on competitiveness in the circumstances of increased competition within the EMU. Consequently, the measures enhancing competitiveness, including structural reforms and labour market flexibilization, were recommended by the SEV. According to the organization, the reforms should be aimed at modernization of the Greek economy and society. Simultaneously, a series of persistent problems were identified, including public debt, administrative barriers, state interventionism, and delayed industrial development.

#### *6.3.6. Summarizing the discourse analysis*

This period of analysis proves the existence of a dominating and an alternative discourses in Greece in the period between 1997 and 2000. Powerful actors, including the majority government party PASOK, the biggest opposition party ND, as well as the BoG and the SEV, shared the dominating discourse. Three small parties in the parliament (the SYN, the KKE, and the DIKKI) as well as the GSEE embodied the alternative discourse.

The dominating discourse coalition generally promoted neoliberal reforms and pointed out the necessity to increase the competitiveness of the Greek economy through the policies of macroeconomic stability, including austerity, privatization, structural reforms, liberalization, increase in flexibility of labour markets, and tax reform. All the actors from this group shared the assumption that stability would lead to growth. Simultaneously, all actors of the dominating discourse coalition, with the exception of the SEV, recognised unemployment levels to be problematic. Yet there certainly was some discord among the representatives of this discourse coalition. First, the PASOK and Kostas Simitis government promoted liberal reforms partly using the rhetoric of the left. Their discourse claimed growth, social justice, and stabilization to be the ultimate goals and emphasized the future perspective of profitable conditions for the state investment into social policies. Second, while promoting the same reforms, the other actors of this discourse coalition demonstrated some distrust towards the government's ability to succeed with the reforms, and each of them identified some problematic issues where more reform efforts would be required.

The alternative discourse challenged the assumption that the reforms for macroeconomic stabilization actually promote growth. The actors from this discourse coalition constantly emphasized the bias of economic aspects of the EMU, especially the pressures of unilateral convergence, against the social policies. In this context, the actors generally recognised the necessity to reform and reduce the public debt. Yet it was argued that the reforms should focus on promotion of economic growth. High unemployment rate was one of the central topics within the alternative discourse where actors demanded active policies from the government for increasing employment. Also, it was claimed that the reform of the “regressive and unfair” tax system was urgently needed.

Summing up, the central points of contestation between the two coalitions included the real effects of budgetary austerity and of liberalization of economic policies. The policies to increase competitiveness as the primary policy goal were contested as well as the assumption that stability automatically leads to growth. Finally, the bias of the EMU towards the economic policies was also a topic of discussion, as the actors of the dominating coalition emphasized universal benefits of the membership. Yet despite the strong difference in some definitions and policy goals, there was an agreement in identification of some problems across the discourse coalitions. The absolute majority of the actors recognised that the high level of unemployment is a problem of the Greek economy that must be solved. The actors also agreed on the necessity to reduce the public debt and implement a tax reform. However, the ideas of how to approach these issues often diverged significantly.

Concerning the groups of population represented by each discourse coalition, the government and PASOK often argued in the interest of Greece or the Greek economy, Greek citizens, labour, and business, as well as the “future generations”. It was characteristic for the governmental discourse to present the membership in the EMU as beneficial for all citizens. The other members of the same discourse coalition often mentioned people or citizens and the Greek companies (business). The second discourse coalition, representing the alternative discourse, presented itself as defending the interests of society, people, labour, and the low-income part of population.

From a democratic perspective, discourse in Greece proved the existence of a stronger social conflict and stronger scepticism than in Germany (in both periods). This is reflected in the fact that the domestic discourse clearly provides two alternative policy concepts on the same matter and therefore a persistently high degree of contes-



tation. Although the economic problems are identified similarly across the actors, there was no consensus on a possible way to solve them. Moreover, despite the goal of membership in the EMU (which implies the implementation of the SGP), the government and PASOK sometimes described the liberalization policies and austerity measures as a temporary necessity rather than a long-term political commitment. Both these aspects, the existence of a significant alternative discourse and some variations within the governmental sub-discourse, certainly raise the question of the future legitimacy of the EMU framework and its concrete implementation in Greece.

In spite of the existence of an alternative discourse in Greece, this discourse was not compatible with the existing framework of the EMU (and, as the dominating discourse claimed, European integration in general). The goal of membership in the EMU and its requirements strengthened the reformers in Greece, and indeed a number of reforms could be implemented that would probably not be otherwise realized (or at least would have to face stronger resistance). Therefore, the reforms were at least partly legitimized by the positive expectations from the membership in the EMU and the EU (future output legitimacy). This aspect also challenges the long-term legitimacy of both the EMU and the EU because if the expectations behind the future output legitimacy were not fulfilled, legitimacy can be endangered in times of economic hardship; and the policy preferences of the population can change beyond the norms within the EMU.

Table 6: Discourse analysis in Greece, 1997-2000

	Simitis gov.	PASOK	ND	SYN	KKE	DIKKI	BoG	GSEE	SEV
Problem of unemployment	✓	✓	✓	✓	✓	✓	✓	✓	✓
Reduction of public debt	✓	✓	✓	✓	✓	✓	✓	✓	✓
Tax reform	✓	✓	✓	✓	✓	✓	✓	✓	✓
Structural reforms	✓	✓	✓	✓	⊙	⊙	✓	✓	✓
Flexibility of labor market	✓	✓	✓	⊙	⊙	⊙	✓	✗	✓
Privatization	✓	✓	✓	⊙	✗	⊙	✓	✗	✓
Budgetary austerity*	✓	✓	✓	✗	✗	✗	✓	⊙	✓
Liberalization of economic policies*	✓	✓	✓	✗	✗	✗	✓	✗	✓
Increase in competitiveness as primary goal*	✓	✓	✓	✗	✗	✗	✓	✗	✓
Stability promotes growth*	✓	✓	✓	✗	✗	✗	✓	✗	✓
Active promotion of growth	✓✗	✓✗	✗	✓	✓	✓	✗	✓	✗
Active employment policies	✓✗	✓✗	✗	✓	✓	✓	✗	✓	✗
Bias of economic vs. social*	✗	✗	✗	✓	✓	✓	✗	✓	✗

✓ - agreed/ promoted; ✗ - disagreed/ rejected; ⊙ - not central/ absent. Points with \* - issues of main contestation.

#### 6.4. The elite discourse on the EMU in Greece between the years 2010 and 2015: enforced contestation and the failed dominance of the neoliberal competitiveness discourse in the times of crisis

The second period of analysis, the years between 2010 and 2015, is the period of the Euro zone crisis, which directly affected Greece. It resulted in high political turbulence in this country where three early general elections took place and four governments changed within five years. Additionally and not surprisingly, discourse of some domestic actors experienced serious transformations during this period. Therefore, sub-discourses of four Greek governments are scrutinized in this chapter. First, there was the majority government of PASOK led by Giorgos Papandreou, resigning and being replaced by an interim government in November 2011. Second, the interim government was created as a coalition government under the leadership of Loukas Papadimos, which included the PASOK, the ND, and the Laikos Orthodoxos Synagermos (Λαϊκός Ορθόδοξος Συναγερμός or LAOS). After the resignation of the Papandreou government, the early elections had been scheduled for May 5, 2012, and they had to be repeated on June 16, 2012 (after the attempts of the ND and SYRIZA to build a coa-

lition government failed). After the double elections, the next government was created by the coalition of the ND, the PASOK, and Dimokratiki Aristera (Δημοκρατική Αριστερά or DIMAR) where Antonis Samaras (ND) gained the post of the new Prime Minister. Finally, after another early elections on January 25, 2015, a coalition government was created, and this time it consisted of the SYRIZA and Anexartitoi Ellines (Ανεξάρτητοι Έλληνες or ANEL). Alexis Tsipras (SYRIZA) led this coalition government.

#### *6.4.1. Governmental sub-discourse: Papandreou government*

The PASOK majority government came into power after the elections of 2009 and resigned in November 2011. Communications of the Prime Minister Giorgos Papandreou and of the Minister of Finance Giorgos Papakonstantinou reflected the official position of this government. In June of 2011, Evangelos Venizelos became the Minister of Finance, and his communications were also included in the analysis below.

The governmental sub-discourse of the Prime Minister Papandreou was filled with drama and appeals to patriotism of the Greek citizens:

“The battle being fought is for the survival of Greece. This battle is not the battle that the Prime Minister or his government will win or lose. This is the battle that we either all win, all of us together – or we all sink together”. Giorgos Papandreou, Prime Minister, 11.09.2010.

This sub-discourse went through two phases. In the first phase, it focused on the reasons for the crisis and necessity of reforms. The crisis was mainly defined as the crisis of credibility caused by the excessive budgetary spending and by “the problems of the Greek state”, including clientelism, corruption, patronage, and poor administrative capacity.

“Let me quote what I said a year ago in a speech to bankers in Vienna. I said: “The Greek economy is not a poor economy. It was a mismanaged one”. And if I translate that to the current reality, it meant a political system built on clientelism, patronage, inequality and injustice, captive to special interest groups with special privileges, and along with it a huge, over-centralized, inefficient and bureaucratic state, lacking transparency, meritocracy and accountability”. Giorgos Papandreou, Prime Minister, 17.05.2011.

Subsequently, the government proposed the reforms of “revolutionary character” (Papandreou, 17.09.2011), which were aimed at revival of the Greek economy in a “socially fair manner” (Papandreou, 2.05.2010) and would eliminate the perspective of the future state bankruptcy. The original list of reforms promoted by the government in-

cluded austerity, structural reforms, privatization, and financial market regulation. Although the adopted austerity measures were described as hard and painful for the citizens, according to the government, it would be crucial to implement them:

“I know that with the decisions made today our citizens must suffer greater sacrifices. The alternative however would be catastrophe and even greater suffering for us all. This is why we have decided not to back out. This is not a pleasant decision for me or for anybody. We are here however to take the correct decisions for our country. This was and remains our responsibility”. Giorgos Papandreou, Prime Minister, 2.05.2010.

However, acknowledging the hardship of reform, the government committed itself to distributing the burden of the economic adjustment fairly.

The minister Papakonstantinou emphasized the severity of the Greek budgetary problems, stating that the state is nearly bankrupt. According to him, if bankruptcy would really happen, it would trigger decades of recession and impoverishment. Consequently, the Memorandum program was presented as a better alternative to the bankruptcy and a great act of European solidarity. The choice presented to the public was one of either implementation of the Memorandum reforms or exit from the Euro zone and recognition of the state bankruptcy.

“The final result of rejecting the package of October 26th, either by referendum, or by elections, or through parliament, or due to not being able to implement it, – would mean abandoning the Euro. The non-implementation of the package would mean, quite simply, ‘out of the Euro area’, we must comprehend this and make everyone aware of this”. Giorgos Papandreou, Prime Minister, 3.11.2011.

The Prime Minister repeatedly appealed for a cross party collaboration that would enable an effective resolution of the crisis and provide credibility of commitment to reforms:

“Right from the beginning of this effort, I have stressed the importance of collaboration and done my utmost to engage all the parties. I genuinely believe in collaboration. First, because now it is not the right time for a conventional opposition politics. Now it is not the right time for superficial politicking. Secondly, because in this Herculean effort we will be stronger and we will succeed faster if we work together in a spirit of national solidarity. It is one thing for the Government to fight with a broader consensus, and another thing for the government to be systematically attacked for reasons of petty politics. Thirdly, because right now Greece needs to demonstrate the broadest possible unity, decisiveness and seriousness to the rest of the world. We must show that we can be different, without being enemies. We must show that the national interest is what unites us”. Giorgos Papandreou, Prime Minister, 27.05.2011.

In the period between September and November of 2011, both the pressures of the Troika and social pressures grew, and the necessity of the parliamentary voting on the second Memorandum approached, shifting the focus of the governmental sub-discourse towards democracy and the possibility of referendum:

“In a democracy, political parties and the representatives of citizens represent the supreme expression of popular will and sovereignty. This is unchangeable as a principle. It is also a supreme democratic function to enable the will of each citizen to be submitted in a primary, authentic, direct and binding fashion.... That is what the referendum is, dear friends, where the citizen is called upon to voice a clear ‘yes’ or a clear ‘no’. We must go to referendum for this new agreement. We must ask the Greek people to decide”. Giorgos Papandreou, Prime Minister, 31.10.2011.

Papandreou declared the primacy of the democratic principles in Greece, and that European partners must respect the democratic right of the Greek population. However, the government also proposed an alternative to referendum – inclusion of political actors and achievement of a consensus with the opposition:

“So we have a dilemma – true consensus or referendum. As I said yesterday coming out of the meeting, if there were consensus we would not organize a referendum. In the meeting this was stressed repeatedly. I said that “if the opposition comes to the table to agree on the agreement we do not need a referendum”. I also said that elections would be a third, though harmful solution”. Giorgos Papandreou, Prime Minister, 3.11.2011.

Simultaneously, the criticism of financial markets and rating agencies came into the spotlight in the second phase of the governmental sub-discourse. The government pointed out the necessity to regulate both of them. Also, the definition of crisis shifted from being uniquely a problem of Greece to being a European problem. The government began to defend an overall debt reduction, interest rate reduction, and longer time periods for serving the debt.

#### *6.4.2. Governmental sub-discourse: Papadimos interim government*

The coalition government formed by the PASOK, the ND and the LAOS was created after resignation of the PASOK majority government in November of 2011. This coalition governed the country until the next elections in May of 2012. Mainly communications by the Prime Minister Loukas Papadimos, who is a former governor of the Bank of Greece and did not formally belong to any political party, are considered in the analysis below.

During the six months of the interim government, the discursive focus again shifted towards the economic reforms. This government described its goals as achieving the restoration of Greece's credibility and international prestige, the revival of its economy, as well as the strengthening of national and social cohesion.

Papadimos identified the accumulation of high debt, budgetary deficit, and loss of competitiveness as the main reasons for the crisis and suggested dealing with these issues through structural reforms, fiscal consolidation, and the strengthening of country's exports. The government argued that the reforms should target the restoration of confidence in the Greek economy and enhancement of its competitiveness. However, Papadimos also acknowledged that the decrease in incomes of Greece's trading partners challenged the attempts of export re-orientation of the Greek economy. Therefore, he argued, fiscal consolidation should be combined with the measures promoting growth.

“Today's financial crisis and concomitant uncertainty, as well as the generalized endeavor to push through fiscal consolidation elsewhere in Europe, have hit the incomes of our trading partners, thereby frustrating our efforts to return to growth by boosting exports”. Lucas Papadimos, Prime Minister, 6.12.2011.

“Now for Europe in general, the implementation in a number of countries at the same time of fiscal consolidation measures implies, of course, a combined adverse effect on economic activity. The answer to this, in my view is to try to combine the necessary actions in order to achieve, to return rather, to prudent fiscal policies, with other measures that can help to foster economic activity”. Lucas Papadimos, Prime Minister, 15.01.2012.

#### *6.4.3. Governmental sub-discourse: Samaras government*

After the elections of June 2012, the coalition of the ND, the PASOK, and the DIMAR emerged as a government led by Antonis Samaras (ND). This government lasted until the next early elections in January of 2015. The communications by the Prime Minister Samaras and by the Minister of Finance Giannis Stournaras (until June of 2014) have been analysed as representative for this government.

By the time this government emerged, the second Memorandum had already been adopted by the parliament (mid-February, 2012). In essence, the new government continued the discourse of the previous government. It promoted modernisation and implementation of in-depth reforms in the Greek economy. The Prime Minister Samaras described Greece as the last “soviet economy”, “Jurassic Park with ancient dino-

saurus”, and “stuck in the Middle Ages” (Samaras, 12.07.2014). Stournaras argued in favour of introducing a new production model in Greece, one oriented on export instead of the previous one, which was based on consumption. Thus, the government further argued for reforms focused on enhancing the competitiveness of the Greek economy. Additionally, it was pointed out that the liquidity of Greek banks must be restored through their re-capitalization, as this would be another factor enabling the faster recovery of the real economy.

Although austerity measures were generally defended, it was stated that austerity contributed to the recession, and therefore it had to be balanced with the measures supporting the economic recovery:

“The economic policy mix can therefore be changed: we do not have only austerity leading to persistent deficits and even greater frugality. We have measures that balance the cuts, which again put the economy to work, relieving the society, encouraging restart of our production activity”. Antonis Samaras, Prime Minister, 17.04.2013.

It was emphasized that the so-called “relief measures” would not contradict the policies of macroeconomic adjustment but rather support the society and economy. In this context, consolidation and recovery were meant to proceed in parallel:

“A valuable lesson: that consolidation and recovery go together! They can go together. They must go together.... The adjustment and the restructuring do not need to dismantle the society in order to ‘clean up’. They can be combined with recovery measures. Or at least with measures that balance the recession and alleviate from its effects...” Antonis Samaras, Prime Minister, 17.04.2013.

Therefore, this government demanded implementation of both types of policies – targeting financial stability and growth.

This government also recognized the hardship of reforms for the population of Greece but claimed that an alternative to the measures would be a much worse disaster, leading to international isolation, bankruptcy, and inevitable return to the former Greek currency – Drachma. It presented the choice between stabilization of the economy and democracy and bankruptcy accompanied by social explosion. The higher levels of taxation as well as cuts in wages and pensions were described as necessary temporary measures, which would be reversed once the Memorandum was implemented and the goal of the primary surplus was achieved. Although the government reinforced the necessity of further reforms, a significant part of its sub-discourse emphasized the positive development and perspectives of the bright economic future for Greece.

#### *6.4.4. Governmental sub-discourse: Tsipras government*

In the early elections of January of 2015, SYRIZA gained 149 seats (out of 300) in the Greek parliament and got an opportunity to build a government together with the ANEL (13 seats). In order to be able to assess the continuity in the sub-discourse of the SYRIZA, statements of the Prime Minister and the leader of this party Alexis Tsipras have been analysed below.

The SYRIZA known for its open opposition to austerity and the Memoranda programs formed a government shortly before the negotiations of the third Memorandum. Nevertheless, its discourse essentially remained the same compared to the previous years when the party was among the parliamentary opposition. Communications by the Prime Minister Tsipras still proved to have a strong emphasis on democracy and sovereignty. He demanded restoration and deepening of democracy as well as Greece to become an “active protagonist”, an independent and equal partner in Europe:

“Greece remains at the center of the international interest, but this time in a positive way. As a protagonist and not as a supporting character. In the negotiations that finally began, Greece is tabling proposals. It does not accept commands”. Alexis Tsipras, Prime Minister, 8.02.2015.

The new government urged to end the austerity, find a comprehensive solution to the debt problem, restore the social justice and labour rights, and implement the measures increasing competitiveness (based on innovation and production of high quality goods). The idea of fiscal balance and balanced budget was generally supported, but it should not be implemented through unilateral austerity. Also, the government promoted radical reforms of the Greek state, including measures against corruption, waste in the public sector, abolition of privileges for public employees, and more justice in the tax system. Additionally, the demands of payment of compensation for the Nazi occupation of Greece in World War II from Germany also represented an important part of the governmental sub-discourse.

It has been repeatedly emphasized that the Greek crisis requires a European solution. According to the Prime Minister Tsipras, Greece remains part of Europe, but the latter is not uniform and is characterized by ideological differences.



*6.4.5. Parliamentary sub-discourse: PASOK, ND, SYRIZA, KKE, ANEL, Chryssi Avgi, LAOS, and DIMAR*

The PASOK formed a majority government until November of 2011 and participated in both coalition governments between 2011 and 2015. Although the party has been one of two dominating parties for the whole period since the beginning of the Hellenic Republic, it drastically lost the electorate during the period of analysis, from 43,92% in the elections of 2009 to 4,68% in 2015.

Within the PASOK the crisis has been described as a European problem, and its durability was explained partly by the “persistent economic nationalisms in Europe” (Venizelos, 7.11.2012). Its sub-discourse was contradictory because on one hand its members tried to convince the public of the necessity to implement the reforms, and on the other hand, they emphasized the negative consequences of the measures. Structural reforms were generally encouraged, but from the end of 2011, austerity and Memoranda policies were claimed to lead the country into a deep recession, causing dramatic levels of unemployment. Yet it was argued that there would be no reasonable alternative to implementation of the Troika conditionality, except for the option to leave the Euro area and declare the bankruptcy.

“The prevailing European policy is certainly shortsighted and wrong. It is a punitive policy in relation to the countries that did not implement countercyclical policies. That had not cut their deficits and did not make their debt sustainable in the period of high growth. Now, they impose on them, with the top example of Greece, but not just Greece, Spain, Portugal, Italy, Cyprus, all countries, France itself, the application of hard Troika policies that deepen the recession because they require a rapid reduction in deficits in the periods of recession. But, unfortunately, this is the current European policy and those are the only sources to finance deficit and the only safe debt restructuring process”. Evangelos Venizelos (PASOK), 7.11.2012.

The leader of PASOK emphasized that political stability is essential for economic recovery. Finally, similar to the ND, there was a promise that once the primary surplus is achieved, redistribution to low-income population will be pursued.

The ND was an oppositional party until November of 2011 and became part of the coalition governments between 2011 and 2015. Also the ND lost part of its supporters, but far less than the PASOK. In 2015, the ND was still able to gain 27,81% of the votes. The position of the party evolved from rejecting the Memorandum program in 2010-2011 to generally supporting the policies in 2012. Originally, the party claimed that the Memorandum program would inevitably result in a severe recession.

It criticised the PASOK government for decreasing the role of the parliament in the process of crisis management and accepting everything proposed by the Troika without reservations or any attempt to promote its own initiatives. Yet the ND itself belonged to the strong apologists of privatization and budgetary consolidation:

“You know already what we are voting for. We are voting for the section to curb spending that coincides in many points with our proposal. This should have been done last year. Addressing excessive spending. Not to impose sacrifices only to the weak with horizontal cuts. Also, in the privatizations we will be particularly supportive, if the final decisions of course are taken transparently and with respect to the investment dimension. Meaning, not solely motivated by revenue-panic and in any case, of course, the sellout”. Antonis Samaras (ND), 30.06.2011.

Although the party originally demanded lower levels of taxation, it later defended the increase in taxation as a necessary temporary measure.

The Coalition of the Radical Left SYRIZA managed to win the electorate and experienced an increase from 4,60% of votes in 2009 to 36,34% in 2015. Subsequently, from being a small opposition party before 2015, it succeeded in creating a governmental coalition with the ANEL that year. As an opposition party, the SYRIZA categorically rejected the Memoranda programs: the measures were described as hard, unjust, and inefficient. According to the party’s position, the measures lead the country into a deep recession, cause humanitarian crisis, and finally make future bankruptcy unavoidable. The SYRIZA protested against the degradation of the parliamentary process expressed in the urgent parliamentary procedure and decisions adopted under high time pressure:

“The Prime Minister does not come to the Parliament to answer the questions that I submit to him. The Ministers devalue questions of oppositional MPs. The Parliament has been transformed into an industry of voting bills that come the last day, are not produced in the offices of Ministers, as Minister had stated in the government six months ago. They bring them ready and blackmail for them to be adopted”. Alexis Tsipras (SYRIZA), 15.09.2013.

On the contrary, it was emphasized that the development of political system and deepening of democracy would be crucial in the circumstances of the crisis:

“Our commitment towards the Greek people is hard renegotiation, the claim of the occupation payment, a plan to address the humanitarian crisis, the design of production reconstruction, the change of the political system and democratization”. Alexis Tsipras (SYRIZA), 15.09.2013.

The party continuously demanded new elections and a referendum on the issues of crisis management. Its central proposals aimed at solving the crisis included placing a

heavier burden on the wealthy private sector, adopting the measures for reconstruction of production in the economy, increasing demand, and stimulating growth. Also, the leaders claimed that the debt levels were not sustainable and must be reduced.

The Communist Party of Greece (KKE) remained a relatively small opposition party throughout the period of analysis. According to the position of the party, the roots of the crisis in Greece are located in the global capitalist system, whose interests are currently promoted through European integration. The party rejected the Memoranda, describing them as unjust, hostile to labour and farmers employed in agriculture:

“The brutality of these measures reaches a whole new level. For example, what was absent before the crisis or was not as strong in previous years represents the exclusive attack, facing this time the largest part of wage labour and the poor farmers”. Alexandra Papariga (KKE), 7.11.2012.

The right solution to the crisis, according to the KKE, would be an exit from the EU and restoration of the devaluation instrument.

The ANEL appeared in the parliament after the first elections of 2012, experiencing its major electoral success. In 2015, it became a coalition partner of the SYRIZA in the government. In the case of ANEL, the notions of national and popular sovereignty of Greece represented the cornerstone of its communications:

“It is a commonplace – and I am closing my speech shortly – that the government legislates major changes for the Greek economy by external instructions, implementing foreign business plans for exiting the economic crisis. It delivers without a fight the national sovereignty, it makes no resistance to multinational interests, lowering even more the expectations in the compact Greek entrepreneurship that is affected and destroyed by this policy”. Gavriil Avramidis (ANEL), 31.03.2014.

The Memoranda measures were described as unsustainable, undemocratic, and adopted outside the democratic parliamentary process. According to the ANEL, the programs would lead the country further into recession. Therefore, the party advised “unilateral cancellation of debt”.

The Chryssi Avgi also became a parliamentary party after the elections of 2012 and has occupied between 18 and 21 seats since, always remaining in the opposition. Exclusive nationalist and Hellenist rhetoric characterized the communications of this party. It expressed its position against the Memorandum program, arguing that it leads the country to a deep recession and erodes the parliamentary process. The party especially warned against the reduction of the budget for the Armed Forces.

The LAOS was in opposition during the first years of analysis, but then the party became part of the interim coalition government for a short period in 2011-2012. This party did not gain any seats after the elections of 2012 and was absent in the parliament since. The LAOS spoke out against policies of the PASOK government and against the first Memorandum mainly because the latter was regarded as a source of further impoverishment of the population. According to the party, the root of the economic problems in Greece lies in the provisions of the Maastricht Treaty. Simultaneously, the party claimed that there was no real alternative to the Memoranda, and the country would otherwise have to face bankruptcy and an even more severe recession.

The DIMAR was present in the parliament only between 2012 and 2015. It was part of the coalition government after the elections of 2012 but formally left the coalition by the end of June 2013. The party argued against an exit from the Euro zone and mainly promoted structural reforms in the public sector. Simultaneously, it rejected the neoliberal model of competitiveness and argued that the Memorandum program lacks perspective for development and social sustainability:

“We supported the idea of a renegotiation process that, on the one hand, will implement the adjustment program and, on the other hand, will amend it, for it to be an agreement with the partners with the goal of being cost effective, linked to the development and socially sustainable with a rational burden sharing, taking measures, alleviating burdens and relieving the socially weak population”. Fotis Kouvelis (DIMAR), 7.11.2012.

In this context, the necessity to distribute the burden of adjustment in a fair manner was emphasized as well as importance to restore the labour rights. Especially the fall of wage levels was argued to undermine the objective of fiscal consolidation.

#### *6.4.6. Sub-discourse of the Bank of Greece*

According to the Bank of Greece, the main problems of the Greek economy are the large deficit, the large debt, and erosion of competitiveness:

“The only way out (of the crisis) is to restore confidence, by drastically reducing the deficit and the debt and by recovering the competitiveness that has been lost”. George Provopoulos, Governor of the Bank of Greece, 27.04.2010.

The financial assistance and the conditionality for it have the goal of providing assistance and ensuring the implementation of the necessary reforms that should have been carried out long ago in Greece. According to the BoG, the programs do not only secure

the funding but also facilitate the fiscal consolidation through provision of timetables and expertise.

“Indeed, the financial support agreement has not only secured the necessary funding, but also acted as a catalyst for a fundamental reorientation of economic policy in two main directions: rapid fiscal consolidation and the implementation of structural reforms. This reorientation should of course have taken place years ago, when conditions were more favorable”. George Provopoulos, Governor of the Bank of Greece, 18.04.2011.

Therefore, it was argued that, in order to improve the competitiveness and restore the confidence in the Greek economy, it would be crucial to implement the structural reforms, budgetary consolidation, privatization, and increase the flexibility of labour markets. The idea of debt restructuring was mentioned as neither necessary nor desirable. Instead, a combination of austerity and low taxes (as well as elimination of tax evasion) has been promoted as the right solution for Greece.

The crisis was also defined as a failure of the previous growth model of the Greek economy.

“The growth model that has exhausted its limits relied on domestic consumption, both public and private, and was fuelled by borrowing. The business sector did not manage to sufficiently tap into the opportunities opened up by Greece’s participation in the euro area, while the boost in households’ expectations generated by this participation and the swelling of the public sector encouraged consumerism. This led to negative net national saving from 2002 to the present day and to a continuous transfer of resources from the business sector to the oversized, public sector with low-productivity. This model favored present consumption at the expense of the future and was underpinned by the illusion that growth could be driven by the public sector ad infinitum.... The current crisis of the economy is the crisis of a growth model that could no longer be sustained. The cost that society is summoned to pay today is also due to the delay in moving to the new model”. George Provopoulos, Governor of the Bank of Greece, 18.04.2011.

Therefore, the Greek government was encouraged to open the economy and to transform the economic model from being based on consumption to becoming export orientated. According to the position of the BoG, it would be equally important to support the re-capitalization of banks, which in their turn would enable the flow of credit to the real economy.

The governor of the BoG mentioned that political uncertainties represent risks for the Greek economy, and therefore a minimum consensus among the political and social forces should be achieved. Attempting to provide an answer to the criticism that

the reforms do not lead to a positive development, it was stated that the reason why the Memorandum program has not delivered a positive development yet was because the governments have failed to succeed in implementing the necessary reforms. However, it was also recognised that the fiscal consolidation contributed to a deeper recession than was originally calculated:

“Fiscal consolidation led to a recession that was deeper than expected, partly because it relied heavily on increases in tax rates and was not combined with structural reforms to boost growth prospects”. George Provopoulos, Governor of the Bank of Greece, 23.05.2013.

Continuously high unemployment and incompleteness of the EMU were identified as further difficulties on the way to the recovery of the Greek economy.

#### *6.4.7. The Greek trade union association: General Confederation of Greek Workers (GSEE)*

The GSEE consecutively expressed its position against the policies demanded in the Memoranda. It was argued that the imposed austerity undermines the labour rights, being unfair, undemocratic, and anti-social:

“Prompted by the crisis and the emerged need of loan in several countries of the South and not only, they seek to impose, extortionately and blatantly, a wild prolonged austerity program, deepening the recession and the crisis, and being ultimately a complete and permanent subordination of all European peoples to the two financially strong countries”. GSEE, 7.02.2011.

According to the organisation, the measures placed an especially heavy burden on the labour and low-income groups of population, yet lacked any perspective for achieving the economic growth. The measures described in Memoranda were expected to be ineffective and ultimately lead to an even more serious recession, as they would result in an increased tensions and popular discontent:

“These neoliberal and doctrinal proposals extend the recession and the problems of the Greek economy, while triggering uncontrollable social and labor conflicts”. GSEE, 15.04.2010.

Instead, the GSEE insisted on the necessity to re-negotiate the conditionality of the Memorandum and to shift the focus onto the realization of economic and social policies, which would be able to restore the growth. These policies should target the increase in cohesion, reforms of economic structures and the tax system, aiming at the reconstruction of production and of competitiveness through knowledge and innova-

tion. The political agenda should be focused on one goal – to put the Greek economy back on the path of sustainable growth and social cohesion.

“The workers and the ordinary citizens, who struggle, the young people, the pensioners, the unemployed, the whole our society require and demand the implementation of a policy that will focus on people and their needs and not the markets and the profit”. GSEE, 5.05.2010.

Moreover, the GSEE promoted the regulation of the financial markets.

It was argued that the labour wages (which were claimed to be below the European average) and purchasing power should be urgently improved. Finally, the reduction of unemployment would be crucial for solving the consequences of the crisis. It was emphasized that the current programs only achieved the opposite effect, increasing the unemployment.

#### *6.4.8. The Greek employers' association: Hellenic Federation of Enterprises (SEV)*

The sub-discourse of the SEV experienced some transformation through the period of analysis, and therefore two phases can be identified. Until 2012, the SEV mainly urged to carry out modernization, which should include reforms in state bureaucracy and administration, structural reforms, dealing with the problem of tax evasion, and clientelism. The organisation promoted privatization, liberalization, and lowering the tax rates. Simultaneously, the leader of SEV warned about debt re-structuring, arguing that it would cause an even more serious crisis.

“The partisan speakers and participants of the TV debates, they fail, however, to tell the public critical truth: that, whatever form the debt re-structuring now takes, it inevitably entails even tougher measures, even heavier sacrifices, even greater deterioration of our living standards, even greater poverty for the vast majority of society. And if it ever can or should be in the framework of a broader European solution it will not let us out from the need of radical change and painful modernization of the economy and our society”. Dimitris Daskalopoulos, President of SEV, 18.04.2011.

In 2012, the communications by the SEV became more critical towards the Memorandum policies. It was still argued that Greece urgently needed to implement the reforms; however, it was also pointed out that the Memorandum program did not address the necessary changes and undermined the economic growth. For example, the labour costs in Greece were described as much less relevant for enhancing the competitiveness of the economy than the problems of the Greek state:

“The Greek business is in the loop of extensive state intervention, bureaucracy that builds up the complexity, the constant changes in the tax

system, the delay in the administration of justice, the broadly anti-business and anti-investment climate. These are the main factors undermining the competitiveness of the Greek economy and the possibility of creating jobs - far more than labor costs". SEV, 25.01.2012.

The budgetary discipline was generally encouraged, but it was emphasized that it should not be exaggerated:

"The logic of horizontal cuts and tax increase has been proven socially unjust and economically hopeless". SEV, 4.04.2012.

According to the organisation, the mechanism of free collective bargaining should be respected. It was argued that the issue of high unemployment could only be resolved through achieving the economic growth. Therefore, both re-capitalization of banks and reconstruction of production should urgently take place. Moreover, the SEV supported the claim that the democratic aspects of decision-making should be strengthened, and the decisions should be based on a broad political and social consensus.

The current crisis was described as a European problem, requiring a deeper cohesion at the EU level. Thus, the SEV demanded a solution at the European level – a Marshall plan for Europe would be necessary, as the unilateral austerity failed to solve the crisis:

"Therefore, the root causes identified in the non-competitive production base in the South cannot be addressed at once by imposing extreme and prolonged austerity, with large cuts in unit labor costs, stifling illiquidity and leveling cuts in welfare benefits.... What should be done? We begin to realize that there is no real exit from the euro crisis if the North does not provide active assistance to the South, in the form of a European Marshall Plan, which will provide liquidity, reduce lending rates and allow the deficit countries build a competitive production base, to lever private investment". Dimitris Daskalopoulos, President of SEV, 14.03.2013.

Finally, further economic and political integration and debt restructuring were recommended in order to overcome the crisis:

"A review of the government debt is required to re-launch the economy: The Greek economy has eliminated largely the twin deficits (fiscal and current accounts). A favorable agreement between Greece and its international lenders on the public debt (according to the Declaration of Euro [group] for Greece, in November 2012) would remove all kind of skepticism towards the prospects of the Greek economy, it would improve the position of the country on the international capital markets and make the Greek economy attractive to investors. Such a development is in the interest of the European project as a whole". SEV, 15.01.2015.



#### *6.4.9. Summarizing the discourse analysis*

This period of analysis is characterized by high complexity in terms of the number of actors and changes in their sub-discourses within five years. What Greece has been missing in these years, and what ultimately is reflected in the political turbulence and in the pace of reforms, is the absence of a dominating discourse and of stable coalitions. During the whole period, no powerful stable discourse coalition emerged, defending certain policy principles against the others. At the same time, the original discourse of opposition proved to be relatively stable, succeeding in convincing the electorate and gaining the power in 2015. From my point of view, three phases of discourse can be identified in Greece between the years 2010 and 2015.

The first phase lasted from 2010 until roughly the beginning of rule by the coalition government of Samaras in 2012. This phase allows for the identification of a temporary and quite loose discourse coalition of the PASOK government with the Bank of Greece and the SEV. All of these actors emphasized the responsibility of the Greek government to solve the crisis, which, according to these actors, has exclusively domestic roots. They supported implementation of structural reforms, reforms of the Greek state, budgetary consolidation based on austerity, and privatization. Yet the PASOK framed the implementation of these reforms using the rhetoric of patriotic responsibility, social justice, and missing of alternatives to the Memorandum program. In its turn, the ND supported the idea of some of these reforms but criticised their concrete implementation by the PASOK government and fully rejected the Memorandum while being formally the biggest opposition party. Contrary to this coalition, three small opposition parties – the SYRIZA, the KKE, the LAOS – and the trade union association GSEE opposed both the reforms and the Memoranda. These actors promoted an alternative discourse where European responsibility for the Greek crisis was also emphasized. The alternative discourse coalition criticised the lack of democracy in the process of definition of economic measures and emphasized the necessity to promote economic growth, social policies, and public investment, increasing innovation and competitiveness. There was an overall agreement among the actors that the competitiveness of the Greek economy must be restored, but there was no agreement on which measures would achieve the improvement in competitiveness.

The second phase of discourse in Greece took place from 2012 until the election of the SYRIZA/ANEL government in 2015. The characteristic feature of this phase is the transformation of some sub-discourses and a change of focus by some ac-

tors. In my opinion, it was exactly this dynamic that created the favourable conditions for the alternative discourse to grow stronger, culminating in the electoral success of the SYRIZA in 2015. In 2012-2013, the scepticism towards the success of reforms started growing. Although the SEV still promoted the necessity of reforms, it also introduced criticism of the Memorandum policies as being the wrong medicine. Its increasingly anti-Memorandum rhetoric was accompanied by a certain shift in the sub-discourses of the ND and PASOK who were at that time coalition partners in the government. Compared to their earlier positions, now both actors started showing their support for the claims that growth related measures would be necessary in order to overcome the crisis; although they generally continued to defend the Memorandum reforms too, indicating the positive results of these policies. Consequently, the discourse, which previously focused on the promotion of the Memorandum and neoliberal reforms, adopted some claims of the alternative discourse, which was now represented by the SYRIZA, the ANEL, the KKE, the DIMAR, and the GSEE. In the new constellation, only the Bank of Greece continued to demonstrate its blind support for the Memorandum measures that isolated its position from the other actors. In this phase, a relative consensus among the actors appeared on the topic of the real effects of austerity, concluding that the austerity and Memorandum policies lead to a further recession instead of economic recovery. The crisis here was increasingly defined as a European problem, which would require a common European solution. Finally, both structural reforms and the measures triggering a dynamic for growth were recognised as being urgently needed.

Finally, in the third phase of discourse when SYRIZA experienced its major electoral success in the elections of 2015, the aspects of its policy concept had already gained the support and received the recognition among political actors who originally promoted a different discourse. Concerning the main issues of contestation, which included the Memorandum policies, especially austerity and privatization, as well as necessity of debt relief, key actors either partly or completely adopted the position of the previously alternative SYRIZA-discourse. Therefore, the oppositional discourse to the policies promoted by the SYRIZA was not capable to efficiently challenge the core aspects of the new governmental discourse.

Concerning the groups of population represented by each discourse, the PASOK government claimed to be representing the interests of the weak, the middle class, and the Greek citizens. The ND mostly referred to the “societal interests”. The

SYRIZA repeatedly mentioned representing the interests of labour, “people as a social majority”, and public interest. The KKE claimed to speak on behalf of labour and farmers. The SEV officially represented the interests of business, but the organisation emphasized that the interests of business and employees fully converge in the situation of crisis. In its turn, the GSEE claimed to defend the interests of labour, the people, and pensioners.

The discourse in Greece in the period of economic crisis evidences the escalation of the social conflict where the dominating discourse lost its legitimacy and was abandoned. The lack of legitimacy of Memoranda policies was reflected in the loss of influence among the dominating parties, party fragmentation, change of electoral preferences, and political turbulence in general. The results of the referendum held in 2015 (61,31% against the Troika proposal) also support this claim. Moreover, even when the discourse opposing the Memorandum became dominant in Greece, policy change was not possible. In fact, the SYRIZA government as one of the central opponents of the reforms since 2010 was made responsible for implementation of one of the toughest reform packages. The separation of policy definition from political process has negative consequences for democracy in the short-term and long-term, causing frustration and political apathy among the population and providing an agenda for both populism and radicalism, which could lead to disintegration of the country from the rest of the EU.

Not only did the Troika reforms not show a positive effect on the welfare of the citizens in the short term but the dominating discourse at the European level also failed to convince the domestic elites in Greece. Interestingly, by the end of the second period of analysis, the domestic discourse against the Memorandum policies solidified, making the lack of legitimacy even more serious. The situation where both input and output channels of legitimization have been blocked leaves a vacuum and creates an atmosphere of coercion.

Table 7: Discourse analysis in Greece, 2010-2015

	Papandreou gov.	Papadimos gov.	Samaras gov.	Tsipras gov.	PASOK	ND	SYRIZA	KKE	ANEL	Chrysi Avgi	LAOS	DIMAR	Bank of Greece	GSEF	SEV
Austerity/Memorandum policies lead to recession	⊖	⊖	✓	✓	✓	✓	✓	✓	✓	✓	⊖	⊖	⊖	✓	✓
Competitiveness must be re-stored	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	⊖	⊖	⊖	✓	✓
Reform of the tax system/elimination of tax evasion	✓	✓	⊖	✓	✓	⊖	✓	✓	✓	✓	⊖	⊖	⊖	✓	✓
Crisis as European problem	✓	✓	✓	✓	⊖	✓	✓	✓	✓	✓	⊖	⊖	⊖	✓	✓
Measures promoting growth	⊖	✓	✓	✓	⊖	✓	✓	✓	✓	✓	⊖	⊖	⊖	✓	✓
Structural reforms	✓	✓	✓	⊖	✓	✓	⊖	✓	✓	✓	⊖	⊖	⊖	✓	✓
The burden of economic adjustment is not distributed fairly	✗	⊖	✓	✓	✓	⊖	✓	✓	✓	✓	⊖	⊖	✗	✓	⊖
Anti-Memorandum*	✗	✗	✗	✓	✗	✓	✓	✓	✓	✓	✓	✓	✗	✓	✗
Reform of the Greek state	✓	✓	⊖	✓	✓	⊖	✓	✓	✓	✓	⊖	⊖	⊖	✓	✓
Financial market regulation	✓	⊖	⊖	✓	✓	⊖	✓	✓	✓	✓	⊖	⊖	⊖	⊖	⊖
Dangers of bankruptcy	✓	✓	✓	⊖	✓	✓	⊖	✗	✓	✓	✓	⊖	⊖	⊖	⊖
Memorandum or bankruptcy	✓	✓	✓	⊖	✓	✓	⊖	✗	✓	✓	✓	⊖	⊖	⊖	⊖
Implementation of reforms requires political and social consensus	✓	⊖	⊖	✓	✓	⊖	✓	✓	✓	✓	⊖	⊖	⊖	✓	✓
Debt reduction*	✓	⊖	⊖	✓	✓	⊖	✓	✓	✓	✓	⊖	⊖	⊖	✓	✗
Democracy	✓	⊖	⊖	✓	⊖	⊖	✓	✓	✓	✓	⊖	⊖	⊖	✓	✓
Austerity/fiscal consolidation policies*	✓	✓	✓	✗	✓	✓	✗	✗	✗	✗	✗	✗	✓	✗	✗
Privatization*	✓	✓	✓	✗	⊖	✓	✗	✗	✗	⊖	⊖	⊖	✓	⊖	✓
Restoration of social justice	✓	⊖	⊖	✓	✓	⊖	✓	✓	✓	✓	⊖	⊖	⊖	✓	⊖
Unemployment problem	⊖	⊖	⊖	✓	✓	⊖	✓	⊖	⊖	⊖	⊖	⊖	⊖	✓	✓
Restoration of labour rights	⊖	⊖	⊖	✓	⊖	⊖	✓	✓	⊖	⊖	⊖	⊖	⊖	✓	⊖
Decrease in the role of the parliament	⊖	⊖	⊖	✓	⊖	⊖	✓	✓	✓	✓	⊖	⊖	⊖	⊖	⊖
Sovereignty	⊖	⊖	⊖	✓	⊖	⊖	✓	✓	✓	✓	⊖	⊖	⊖	⊖	⊖
Greece must re-gain credibility	✓	✓	⊖	⊖	✓	⊖	⊖	⊖	⊖	⊖	⊖	⊖	⊖	⊖	⊖
Strengthening of the Greek exports	⊖	✓	✓	⊖	⊖	✓	⊖	⊖	⊖	⊖	⊖	⊖	⊖	⊖	⊖
Re-capitalization of banks	⊖	⊖	✓	⊖	⊖	✓	⊖	⊖	⊖	⊖	⊖	⊖	⊖	⊖	✓
Competitiveness based on innovation	✓	⊖	⊖	✓	⊖	⊖	✓	⊖	⊖	⊖	⊖	⊖	⊖	⊖	⊖
Referendum	✓	⊖	⊖	⊖	✓	⊖	✓	⊖	⊖	⊖	⊖	⊖	⊖	⊖	✓
Reconstruction of production	⊖	⊖	⊖	✓	⊖	⊖	✓	⊖	⊖	⊖	⊖	⊖	⊖	✓	✓
Crisis caused by the excessive budgetary spending*	✓	⊖	⊖	✗	⊖	⊖	✗	✗	✗	⊖	⊖	⊖	⊖	✗	⊖
Increase in flexibility of the labor market*	⊖	⊖	⊖	✗	⊖	⊖	✗	✗	✗	⊖	⊖	⊖	⊖	✗	⊖

✓ - agreed/ promoted; ✗ - disagreed/ rejected; ⊖ - not central/ absent. Points with \* - issues of main contestation.

## **Chapter 7: Democratic deficit and the asymmetric nature of the EMU**

This chapter sums up and provides the final analysis of the findings of the empirical chapters from the perspective described in the theoretical chapters of this thesis. This perspective mainly focuses on how the simultaneous transfer of competences and preservation of formal autonomy of the member states in the EMU impacts the democratic sovereignty, understood in a positive way, as a definition of a certain concept of public good through the process of self-determination and expression of political freedom (Habermas 1996). It is democratic sovereignty located in a democratic procedure that guarantees inclusion of different interests in the definition of agenda on an equal base (Habermas 1996; Cohen/Sabel 1997). After a short comparison of the discursive data from the two case studies, democratic deficit and power asymmetries are discussed in this chapter.

### *7.1. Monetary, economic, and socio-political discourses*

The empirical part of the thesis is focused on the EMU discourse and the institutional context of this discourse at the European level and at the member state level in Germany and Greece. While the European Economic and Monetary Union was originally claimed to have the purpose of protecting the European economies through reducing risks and uncertainties (see part 4.2.1 of this thesis), only monetary policy has been formally brought under the supranational authority. Some contestation was identified concerning the terms of integration during the early negotiations of the EMU, and it reappears later, in the beginning of the crisis of 2010. Consequently, the original division between the member states who supported the idea of a common economic policy (economic government) and those who rejected this idea, as well as the difference in opinions concerning the status of the ECB (independent vs. subordinated under political authority) proved to be persistent (see table 3, p. 104). Similarly, the demands of automatic sanctions in the case of violations against the rules of the SGP and strict nominal convergence were both contested across the member states (see table 3, p. 104). The idea of the common European bonds was brought into the discussion in 2010 (Leuffen et al. 2013). The debate on the absolute priority of the budgetary discipline and of monetary stability reflected in the SGP criteria was also renewed during the early years of the crisis. Some member states argued against the austerity measures, especially in the times of economic recession (Vail 2015). In spite of these points of contestation, which reflected the difference in approaches among the member states, both the originally ne-

gotiated normative framework of the EMU and the norms added to it as the measures of crisis management reflect an exclusively neoliberal approach to economic policy. Subsequently, the understanding of economic policy, prioritizing austerity, liberalization, and privatization was narrowed down; and the principle of national responsibility for economic performance of a member state was strengthened (Schwarzer 2015). This approach has been promoted by the coalition of actors that included some member state governments (mainly from Northern Europe), the ECB, and the Commission. However, the analysis proves the existing conflict over the terms of the EMU. This conflict is deeply rooted in the different economic policy models (models of capitalism) established due to the specific domestic economic capacities and structures in the member states.

The country case studies, Germany and Greece, demonstrate the difference in economic policy dynamic. The first part of each case study describes the context and institutional framework within each of two countries selected for analysis. It supports the argument that the original context in Germany (although still different from the Anglo-Saxon model) was better adapted to the competition pressures at the European level after the introduction of the common currency than as was the case in Greece (see parts 5.1 and 6.1). Germany already had an independent central bank with the goal of price stability, which was widely supported among the population and among the societal actors (Young 2014, Verdun/ Christiansen 2000, Woll 1991). Moreover, the ordoliberal approach reflected in the concept of social market economy with its orientation to competitiveness and increase in exports has been a central element in the defining of economic policy measures in Germany after the World War II (Crouch 2000a). Finally, the inclusion of social actors within corporatism and its generally cooperative character legitimized such order (Crouch 2000a).

The case of Greece is quite the opposite. The country represents an example of late industrialization where small and medium manufacturing enterprises still dominate today and are mostly oriented towards the domestic market (Louri/ Pepelasis Minoglou 2002, Yannopoulos 1979, Zambarloukou 2006). In this context, the state occupied the main position in economic life of the country that expressed itself in the control of the banking system, in subsidies to agriculture and businesses, as well as in the fact that monetary policies represented a key tool of economic adjustment (Ioakimidis 2001). The central bank in Greece was traditionally under the governmental authority (Oltheten et al. 2003). The latter aspect resulted in the high levels of inflation (Oltheten et al.

2003). Moreover, the country experienced transition to democracy in 1974 that required the re-establishment of its weak democratic political institutions and political culture. The case of Greece was traditionally characterized by a strong fragmentation of interest groups, competitive relations among the social partners, and clientelism (Ioakimidis 2001; Featherstone/Papadimitriou 2008). These aspects influenced and sometimes even determined the process of reforms and economic adjustment. The government had to face simultaneously the administrative problems and bigger economic challenges, resulting from the lack of industry and the country's dependency on the foreign capital (see parts 6.1.2 and 6.1.3). Therefore, in terms of context and institutions, Greece was much less prepared for the competition enforced by the creation of the common market and especially by the common currency. Consequently, a chance of an asymmetric shock was higher in Greece than in Germany from the very beginning.

Despite the fact that the German case demonstrates a better match with the context of the EMU, it would be wrong to assume that there were no adjustment pressures on Germany. The ordoliberal position of the German government during the negotiations of the EMU and the future EMU framework disrupted both the balance of ordoliberal and Keynesian (social) policies (Dyson 2009b, Dyson 2003) and the connection between the monetary policies and development in the real economy (see chapter 5.2). Moreover, through the strengthening of the ordoliberal and austerity discourses, the negotiating position of labor was weakened (Baccaro/Howell 2011, Bieling/ Lux 2014), and the adjustment pressures shifted on wages.

The second part of the case studies presents the analysis of discourses in these two countries. In the period between 1997 and 2000, the discourse on the EMU in Germany was more consolidated than in Greece, as, in Germany, the majority of actors (including the government under Kohl, the government under Schröder, the CDU/CSU, the FDP, the SPD, the Bündnis 90/die Grünen, the DGB, and the BDA) shared a positive attitude towards the integration and emphasized the benefits of monetary integration in the EU. Similarly, the representatives of the dominating discourse shared the idea that the stability of the new currency must be secured. Nevertheless, the discourse was not homogenous, and two discourse coalitions, the ordoliberal and social democratic, within one dominating discourse could be identified there. The two discourse coalitions differed mainly in their general approach to economic policy and in their preferences concerning harmonization in the policy fields related to the EMU, such as employment, taxation, environmental policies, and social policies (see chapter 5.3, especially table 4,

p. 134). Also, the issue of how strict the convergence criteria should be interpreted was debated between the discourse coalitions in Germany (where the government under the leadership of Kohl, the CDU/CSU, the FDP, the Bundesbank, and the BDA argued in favour of the strict interpretation; and the government under the leadership of Schröder, the Bündnis 90/die Grünen, the PDS, and the DGB – against it). In terms of interests, the dominating discourse benefited the German exporters, industry, and capital because it promoted the framework of EMU that encourages stagnating or lower wages, taxes, and other contributions. Simultaneously, it creates a better conjuncture for the industry and exporters to export to the countries with the weaker or internationally less competitive industries inside the EMU.

In the same period, in Greece, the dominating and alternative discourses were identified (while the dominating discourse encouraged the neoliberal economic reforms, the alternative one opposed them). On one hand, there was some agreement among the actors considered in the analysis that the government should deal with the problem of unemployment, reduction of public debt, and tax reform (see chapter 6.3, especially table 6, p. 182). On the other hand, there was no consensus among the actors on how exactly these problems should be resolved. Moreover, all the measures by the government aimed at increasing the convergence with the other EMU members and at reducing the public deficit were contested and challenged by the alternative discourse coalition. The points of contestation included the effects of the budgetary austerity, liberalization of economic policies, and the debate on growth vs. competitiveness as the primary goal (where the government represented by Simitis, the PASOK, the ND, the BoG, and the SEV promoted austerity, liberalization, and competitiveness-oriented policies; and the SYN, the KKE, the DIKKI, and the GSEE disagreed with these policies). The alternative discourse questioned the view of the government that stability would ensure economic growth in Greece. Simultaneously, the idea of an active involvement of the government in promoting growth and employment policies was very often present in the communications by different actors (with the exceptions of the ND, the BoG, and the SEV who opposed such an involvement).

The comparison of the two discourses of that period of time clearly shows the difference in concerns in the two countries. While the discourse in Greece proved to have a relatively thin European dimension, its main concerns were of a domestic nature, including the issues of high unemployment, an unfair and inefficient taxation system, and the necessity to reduce the public debt (table 6, p. 182). The focus on these topics



alone speaks for high vulnerability of the Greek economic situation. Simultaneously, the notions of budgetary consolidation, austerity, as well as stability and competitiveness - which were all parts of the dominating discourse in Germany, being generally accepted there - were highly contested in Greece (see table 8, p. 209). Therefore, although the dominating discourses in Germany and in Greece generally promoted similar policy types, in Greece these policies and the concepts behind them did not represent any kind of consensus but were constantly challenged by the alternative discourse (table 6, p. 182). The discourse analysis proves that, although both countries expected benefits from the membership in the EMU and were aware of the reform requirements for the membership, the content of these expected benefits varied significantly. While in Germany the expected benefits included a more favorable environment for the enterprises and export industries (and indirectly labor), as well as higher competitiveness (table 4, p. 134); in Greece, the dominating discourse had a stronger social dimension, claiming that the reforms are necessary for the membership in the EMU, which in its turn would ensure the favorable conditions for the future re-distributive policies (for example, “The high growth rates in the new environment create a sound surplus needed for the expansion of social cohesion and solidarity”, Simitis 9.03.2000). These expectations had a very thin foundation and could hardly be fulfilled, as the EMU itself does not have a social dimension. Therefore, I think that the risk of disappointment among the population and of loss of legitimacy was always higher in the case of Greece.

The second period of analysis, from 2010 to 2015, reveals a dominating (ordoliberal) and an alternative (social democratic) discourses in Germany. The latter discourse essentially merged into the dominating discourse beginning in 2012. The alternative, social democratic, discourse slowly disappeared from the agenda in the changing political circumstances both at the European and at the domestic level. The two discourses originally presented two different visions concerning the root cause and necessary measures to resolve the EMU crisis. While the dominating, ordoliberal, discourse presented the crisis as exclusively a problem of one or some member states, an alternative discourse claimed it to be at least partly a European responsibility (see chapter 5.4, especially, table 5, p. 155). As the former discourse mainly promoted enforcement of the status quo, the latter demanded new measures, including a debt cut, introduction of common European bonds, European growth and employment policies (table 5, p. 154). At the same time, the majority of actors in Germany still shared a generally positive attitude towards budgetary consolidation and austerity (with the exceptions of

the Linke and the DGB). Comparing the discourse in Germany between two periods, from 1997 to 2000 and from 2010 to 2015, we can observe that the main topics certainly changed as the circumstances changed. Essentially, the political cleavages and the expressed policy preferences of the actors in Germany concerning the EMU remained the same compared to the earlier period of analysis (compare the tables 4 and 5). However, the strengthening of the ordoliberal discourse at the European level through adoption of legislation led to the weakening of the alternative discourse in Germany (see p. 152-153). Therefore, a direct influence of the European discourse on the quality of the domestic discourse in a member state can be observed.

In Greece in the period between 2010 and 2015, three phases of discourse can be identified. The dynamic of this period demonstrates how three discourses in the first phase at least partially converged towards the alternative (anti-Memoranda policies) discourse in the third phase. The skepticism towards the Memoranda policies as the measures capable of solving the crisis grew slowly when the original optimistic expectations have not been fulfilled (see chapter 6.4). The actors who defended the Memoranda measures at the beginning of the crisis recognized some of their failures later. In fact, in the third phase, an absolute majority of the actors considered in the analysis (including the ND, the PASOK, the SYRIZA, the ANEL, the KKE, the DIMAR, the SEV, and the GSEE) agreed on the necessity of growth related measures, whereas further austerity was regarded as counterproductive (see chapter 6.4). Compared to the previous period of analysis in Greece, the first phase of discourse between 2010 and 2015 strongly resembles the period between 1997 and 2000, when the dominating discourse defended the idea of debt reduction through austerity and neoliberal reforms (compare tables six and seven). As mentioned above, the case study shows that this discourse later lost its dominant position to the alternative discourse. However, in the second half of 2015, several important events happened, including the failed attempt by the government to re-negotiate the central terms of the Memorandum after the early elections in September 2015. Ultimately, the responsibility for implementation of the third Memorandum was transferred on the government, whose discourse strongly opposed the Memoranda policies earlier (representing the alternative discourse coalition). The later period of time is not included in the analysis within this thesis. Therefore, it is unclear whether the discourse, which dominated in the third phase, was able to preserve its dominating position in the same form, or whether it evolved, further absorbing some elements of the discourse, which dominates at the European level. Generally, the resistance to accept the

reforms and the increased contestation during the years of crisis indicate the increasing loss of legitimacy of the EMU policies in Greece (see table 7, p. 200).

Comparing the discourses in both countries between each other and with the dominating discourse at the European level, the following conclusions can be drawn. In both countries, the discourse analysis on the topic of the EMU proves the existence of a political conflict between the owners of large capital on one side and labor and groups of population with low income on the other. This conflict becomes obvious in the points of main contestation (see tables 4-7 and table 8). Yet the intensity of such conflict is different in the two countries considered here, as, in Greece, there was always an established alternative (anti-liberal) discourse, challenging the key notions of the dominating (promoting liberal reforms) discourse and telling an alternative 'story'. Lack of political consensus signaled by the existence of a stable and significant alternative discourse essentially determined lower legitimacy of the European policies in Greece. Furthermore, while the main points of contestation in Germany between 1997 and 2000 have a strong European dimension (focusing on the question which features the EMU should obtain, see part 5.3.7), the latter is almost entirely missing in Greece, except for the general declaration of the wish to belong to the European 'family'. This aspect of discourse draws a division between the two countries, as one of them defines the 'rules of the game' at the European level, and the other one must follow the rules in order to not be left out. However, between 2010 and 2015, the European dimension became central for discourse in both countries, especially in Greece, where the coalitions argued mainly along the divide for or against the Memoranda policies (table 7, p. 200).

Also, in the second period of analysis an opposite trend can be observed – the moment the discourse started to converge towards the dominating ordoliberal discourse in Germany, the dominating discourse with ordoliberal elements in Greece started to transform and later lost its dominating position to the alternative (anti-Memoranda policies) discourse. Both transformations happened in 2012, after the member states have achieved an agreement about the reforms of the EMU at the European level, and after the second Memorandum for Greece had been negotiated. As described in the fourth chapter of this thesis, the reforms of EMU expressed strengthening of the existing norms and procedures, whereas the role of the community in economic policy was reduced to surveillance, coordination, and control (see p. 92-93). Thus, the closure of negotiations on the reform of EMU and adoption of the second Memorandum, which at its core continued the logic of the first, coincide with the shift of discourse in Greece away

from the European demands; the fact that opened an opportunity for the alternative discourse to rise later in Greece. In this case, the transformation of discourse expresses the loss of legitimacy and stronger protest. While the issue of economic divergence and inequality across the EMU member states is strongly present in the discourse in Greece, this divergence is defined within the dominating ordoliberal discourse in Germany as divergence in management (good vs. bad administration of economic policy).

Generally, while in Germany there was a relative consensus on the necessity of austerity and budgetary consolidation, this was a point of major contestation in Greece (table 8, p. 209). The majority of actors (including the ND, the PASOK, the SYRIZA, the ANEL, the KKE, the DIMAR, the SEV, and the GSEE) even represented the view that austerity leads to a recession rather than helps to overcome the crisis. Therefore, the Memoranda measures, especially privatization and further flexibilization of the labor markets, were strongly criticized (table 7, p. 200). There was an agreement among the actors in both countries that the policies must achieve an increase in competitiveness, but there were different approaches to how exactly this should be done. In Germany, the dominating ordoliberal discourse promoted structural reforms, austerity, and stabilization, whereas in Greece, the actors argued for structural reforms, tax reforms, and measures promoting growth (see table 8, p. 209). There was also a different description of the nature of the crisis in these two countries. In Germany, it was claimed to be a national problem, while in Greece, crisis was described at least partly as a result of the European economic divergence (see tables 5 and 7). Because the reforms in Greece were highly controversial among the main political actors, the aspects of democracy also had a stronger presence in the discourse in Greece than in Germany (table 7, p. 200).

Finally, regarding the dominating discourse and norms at the European level, some contestation is present there, as the discourse analysis confirmed the existence of a discourse with the contesting visions of the EMU (see table 3, p. 104). Also, these contesting visions indirectly reflect the preferences within different member state discourses and preferences of different groups of population. Therefore, at first sight, the criterion of representativeness appears to be fulfilled. Yet these features exist within the circumstances of a hegemonial discourse at the European level. The quality of contestation at this level does not challenge the basic assumptions of the hegemonial discourse as possibly wrong or ideological. Also, looking at the norms produced as a result of negotiations, one discovers that they reflect an exclusively ordoliberal vision of economic policy.

Table 8: Overall summary of the discursive elements by actor

	EU		Germany										Greece														
	EC	ECB	Kohl gov.	Schröder gov.	Merkel gov. II	Merkel gov. III	CDU/CSU	FDP	SPD	Bündnis90/die Grünen	The Linke	Bundesbank	DGB	BDA	Simitis gov.	Papandreou gov.	Samaras gov.	Tsipras gov.	PASOK	ND	SYN/SYRIZA	KKE	ANEL	DIMAR	Bank of Greece	GSEE	SEV
<b>Ordoiberal</b>	Structural reforms	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓	✓	✓
	Further privatization	✓													✓	+	+		✓	+					✓	+	+
	Further liberalization	✓	✓					✓						✓	+				+	+					+	+	+
	Economic policy surveillance	✓																									
	Stability oriented financial and economic policy		+		✓	✓									+				+	+					+	+	+
	Strict implementation of the SGP principles		+	+			+	+				+		+													
	Currency stability			✓	✓			✓	✓	✓	✓	✓		✓													
	Budgetary consolidation / austerity			✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	+	+	+		+	+					+	+	+
	Strict nominal convergence			+			✓					✓															
	Competitiveness as primary policy goal			✓		✓	✓	✓	✓			✓		✓	+	✓	✓		+	+					+	+	+
	National responsibility for economic performance					✓	✓	✓	✓					✓													
	Further flexibility of labor markets														✓				✓	✓					+	✓	✓
<b>Keynesian/ Social Democratic</b>	Stronger economic policy coordination			+					+	+	+	+	+														
	European employment policies			+					+	+	+		+														
	Social policy coordination			+					+	+			+														
	European policy for economic growth			+					+	+	+		+														
	Inclusion of social partners at the European level				✓				✓				✓														
	Flexibilization of the SGP			+					+	+																	
	Impulses for growth/ targeted investment								✓	✓	✓		✓														
	Eurobonds								+	+	+																
	Active employment policies														✓				✓		✓	✓				✓	✓
	Active growth policy														✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓
	Restoration of social justice															✓	✓	✓	✓	✓	✓	✓	✓			✓	✓
	Crisis as a result of European dynamic								✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
	Financial market regulation				✓		✓		✓		✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓
	Restoration of labor rights																	✓			✓	✓		✓		✓	✓
	Competitiveness through innovation																	✓			✓					✓	✓
Establishment of balance in the bias of economic vs. social policies																				+	+				+	+	

+ contested principle; ✓ principle not contested

For instance, the preferences of the Greek discourse shared by some of the member states' governments have been continuously blocked in the negotiations at the EU level, while the results of these negotiations turned out to be very close to the preferences of the dominating discourse in Germany.

The principles of the EMU do not represent a consensus among the political elites in a broad sense. These principles are claimed to be the expression of the universal, common interest, while remaining ideological – ordoliberal. While some might argue that the procedure corresponds with the democratic principles, its results still lack legitimacy because they are pre-determined by the power asymmetries during the negotiations. That means that a policy concept can be introduced at the European level without gaining the support of the majority or convincing the population but just because it was promoted by certain actors. Equally, the later actors can veto policies even if these policies correspond with the interest of the majority. The circumstances where economic policy agenda is narrowed down to some policy options violates the right of demos to choose among the alternatives and leads to growing distrust, skepticism, different forms of civil protest, and civil disobedience.

### *7.2. Implications for democracy*

This research provides evidence that the shift of authority expressed in the realignment of some competences between the EU and its member states with simultaneous recognition of sovereignty undermines democracy. The elite discourse on the issues of the EMU does not fulfill the basic requirements of deliberation in order to channel and reflect the democratic sovereignty, and there is a significant democratic deficit in the decision-making framework. Based on the analysis of structures of the EMU and discourses on the topic of the EMU at both the European and member state levels, two dimensions of democratic deficit can be identified. First, the failure of deliberation results in an undemocratic nature of the discourse at the European level. Second, there are substantial gaps in the throughput legitimacy in the EMU, mainly concerning the breakage of the link between the political process in a member state and the policies within the EMU as well as the exclusion of social partners from the decision-making.

This thesis represents an attempt to assess the deliberative procedure (understood as a normative concept of procedural popular sovereignty in a transnational setting, Habermas 1992) on the basis of two criteria – functional representation and the

contestation of ideas and policy concepts (see chapter 2.3 and chapter 3). The concept of democracy presented in the theoretical chapters is inclusive, demanding participation of citizens and political actors in the definition of agenda as well as in a specific policy-making. It requires an equal opportunity for all the actors and has a goal of adopting policy measures based on a consensus or at least on a compromise (Eriksen/Fossum 2012).

However, under the circumstances of the hegemonial discourse, the intensity and visibility of contestation is generally low, with peaks of contestation lasting relatively short periods. Also, the analysis indicates a lack of functional and of discursive representativeness in the decision-making at the European level of the EMU. This makes discourse at this level exclusive rather than inclusive because the contested discursive realities are not represented at the European level equally. The analysis of the discursive data proves that, although there is no solid agreement on economic policy priorities in the national discourses of the two member states, the nominal convergence and stability policies formally remain the absolutely dominating policy goal. While the differences in approaches to economic policy and the definitions of the 'right' measures remain unexpressed, the existence of a political conflict and antagonistic interests is fully neglected. Summing up, the democratic deficit in the EMU is rooted in prohibition of any economic model except the one described above and in the missing channels of communication and deliberation on what would be the right economic policy decision for a certain member state and the EMU as a whole.

The dynamic of economic and monetary integration now substantially defines the economic policy framework in the member states, although it formally still belongs to member states' exclusive competences. The differentiation and realignment of the competences between the EU and its member states that resulted in the current form of the EMU undermine democracy, as the limits are put on the scale of deliberation, reducing the latter to those policies which are compatible with the current form of the EMU. This limitation is more obvious at the EU level, but the discourse analysis in this thesis demonstrates that it is also strongly present at the member state level. Under the circumstances of hegemonial discourse at the European level, the proceeding of difference with legitimating outcomes does not happen. The vision shaping the EMU clearly does not represent a consensus. On the contrary, a clash of concepts of justice and societal values can be observed. In fact, in the case of Greece, the local elite had to implement the Memoranda policies often without believing in or defending the content of these

programs (especially, since 2012, see part 6.4). The measures were even often described as wrong and harmful (table 7, p. 200).

The discursive diversity at the European level is constantly suppressed through the ongoing constitutionalization of the ordoliberal ideas. Therefore, the hegemonial discourse constrains one of the principles of democratic sovereignty – self-determination. Furthermore, the hegemonial character of the EMU discourse is strengthened because, once adopted, the norms and pillars of the EMU are no longer open for contestation. Once the legislative framework is created, it crucially influences the future discourse, and any violation against the existing norms becomes ‘against the principles of the EMU’ and can be subject to sanctions. In other words, the fact that some principles have been fixed in the legal domain represents the act of constitutionalization of the ‘right’ economic policies (Bieling 2011; Hueglin 2002). As a result, the other policy options are excluded from the discourse as ‘wrong’, being ‘against the existing principles’ (see, for example, Merkel 17.05.2015). It is crucial to emphasize that such constitutionalization did not result from either consultations with the societal actors, or from a public vote, or does it depend on elections. These principles ignore both changes in governments and the transformation of the dominating discourse in the member states, as the case of Greece proves. Simultaneously, there is no one who can be made accountable and carries responsibility if these principles fail to deliver the results corresponding with the expectations of the citizens.

As chapter 2.1 of this thesis argues, there are two different understandings of freedom and popular sovereignty simultaneously present in any European state in a different degrees – a liberal and a republican (see also Scharpf 2012). It is argued there that such coexistence forms a legitimate fundament whereon political actors can further discuss and compete with their ideas on different policy questions, without questioning the existence of the polity itself. The discourse analysis and the study of the EMU within this thesis reveal the critical difference: some member states (for example, Germany) externally promote the liberal understanding, and the others (for example, France and Greece) – a republican one. Independently of the reasons behind these perspectives, they delegitimize the political order if not addressed properly through an open discussion and deliberation. Simply ignoring this difference would lead to the skepticism about the existing norms, institutions, and procedures (which can be observed in the discourse in Greece).

Political frustration and strong disagreement resulting from the lack of legitima-



cy of the policies within the EMU is clearer in the case of Greece. For instance, the fact that the SYRIZA with the protest discourse undermined two established parties in a short period of time and gained popularity enough to be able to participate in the coalition government expresses political discontent within the population. Similarly, the last elections in France where two dominating parties lost the elections to a young political party that strongly gained influence within a short period of time indicates distrust and disappointment about the economic policies of the two previous governments. Interestingly, the case of Greece also casts doubts on the argument that democratization of the EU represents a threat to efficiency (see Majone 1998, Moravcsik 2002). In fact, neglecting the democratic deficit is at least as much a threat to efficiency in the mid and long term. In my opinion, high legitimacy is crucial for the efficiency of policies within the EMU.

The second dimension of democratic deficit in the EMU concerns the gaps in the throughput legitimacy (Schmidt 2013) expressed in the erosion of the basic principles of the democratic political process as well as in the increasing exclusion of the social partners from the decision-making process. Throughput legitimacy is crucially important because its lack would constantly undermine the perceptions of legitimacy of the EU governance, regardless its efficiency (see Schmidt 2013). The EMU undermines the regime of political responsibility through establishing the structures where the two closely related policy fields have been artificially separated between two levels of governance. In a democratic political system, responsibility for the policy measures should be placed upon those who make the decisions. Yet in the EMU, the real location of authority becomes unclear. Democratic elements such as equal and effective inclusion, representativeness in the process of agenda setting, authorization, control, and contestation are all missing. Instead of the collective will-formation and co-decision, there is imposed legislation and disagreement in the discourse. In fact, Greece represents a case where the domestic context and process of preference building was ignored in the Memoranda. In this case, the institutionalized circular relationship between governors and the governed was damaged; while elections representing the explicit authorization of the decision makers by the citizens were de facto irrelevant for the economic measures required in the Memoranda. In the case of Greece, political instability and a frequent change of governments in the reality did not change the budgetary and fiscal policies, therefore strongly restricting the right of the population to determine both the budgetary strategy and priorities through the exercise of their democratic rights. Moreover, the weakness of

the Greek parliament was revealed too (see Pollak/ Slominski 2012, Benz 2013, Auel/Hoing 2014).

Additionally, some interests recognized as legitimate at the national level are neglected at the European level. Analyzing the discursive data, it becomes clear how the disagreement by some important actors is not channelized in any way at the European level. The fact that the social partners (the DGB, the SEV, and the GSEE) signaled their disagreement and discontent with the Memoranda policies decreases the legitimacy of these policies. Generally, the policies within the EMU are not embedded in any political context of modes of governance and societal power relations where competing values could be balanced. Therefore, another principle of democratic sovereignty – co-decision – is violated too.

The description of the EU as an empire of a new type is adopted here with the focus on the diversified polity where supranational and national modes of governance co-exist (Bieling 2010; Zielonka 2006). Therefore, the conceptualization of the EU as an empire emphasizes the fact of recognition of its member states as sovereign. Yet it is also suggested that the supranational modes of governance despite their formally ‘soft’ regulative nature represent the mechanism that is able to put serious constraints on the national policies (Follesdal 2011; Hueglin 2002), mainly through establishing and strengthening a certain type of discourse (see pp. 32-35). Therefore, the existing power asymmetry among the member states and societal actors is crucial here, as more powerful interests get the chance to enforce the agenda, which either benefits them or requires from them less adjustment effort. The modes of governance employed by the empire enable domination through discourse. Fixing the terms of discourse raises serious democratic concerns if some legitimate interests are constantly excluded and neglected in the discourse at the European level. The legitimacy and effectiveness of the decisions at this level finally depends on the acceptance and naturalization of the European discourse in the member states.

The neoliberal coalition, which included the German government, was able to achieve the implementation of the ‘technical’ project of the EMU due to its negotiating power, thus establishing the foundations of the future EMU discourse. Once the framework of the EMU has taken the form of the ordoliberal vision, formal rules (incorporated in the SGP) were established, putting an obligation on all the member states to comply. Yet as the case studies show, the circumstances in the member states were very different, often requiring fundamental changes in the priorities and values for the sake

of adjustment.

The reason why deliberation fails is rooted in the power asymmetries or in other words the unequal relations of economic and political power among the member states and the mode of decision-making in the EMU. The foundation of asymmetric power in the EMU lies in the different socio-economic conditions, different policy models, legitimation (socio-economic embedding of economic and monetary policies), as well as the structures of the EMU themselves. In fact, the socio-economic differences determine unequal sensitivities and vulnerabilities among the member states of the EMU. As some actors are able to create powerful coalitions, they are capable of successfully promoting their preferences without carrying formal responsibility for the results of the policies. Such coalitions may include the member states' governments, supranational, and private actors. Those who do not possess comparable power resources within the current framework of the EMU turn into periphery doomed to follow the recommendations of 'best practices'. The persisting difference in the economic development remains unaddressed at the European level and is in fact neglected within the dominating EMU discourse. The constrained sovereignty of the periphery is expressed in the inability of the latter to set the agenda and policy priorities either domestically or at the European level.

At the core, negotiations with veto power combined with 'soft' modes of governance remain the central decision-making procedures in the EMU. The supranational modes of governance do not formally carry responsibility for economic development in the member states and therefore do not formally require the inclusion of societal actors. As there is no formal framework for inclusion of societal actors, this inclusion is rather selective. In fact, the discourse analysis proved not only the difference in the dominating domestic discourses in the two member states but also that the discourse promoted by the economically more powerful member state and owners of large capital correlates with the one dominating in the EMU. The policies within the EMU are penetrated through control over the discursive articulation at the European level. The lack of discursive representation and contestation at the European level will constantly re-produce the favorable conditions for domination.

## Conclusion

Attempting to approach the broader issue of partial integration (and its persistence) within the EMU where the monetary and fiscal policies have been separated and attributed to different levels of governance, despite functional and political arguments against such separation (Alesina et al. 2010; Beetsma/Debrun 2004; Bell 2003; Crouch 2000a; De Grauwe 2013; Mulhearn/Vane 2008; Wessels/Linsemann 2002; Scharpf 2013), this research focuses on the democratic implications of the membership in the EMU. The analysis attempts to scrutinize the coexistence of supranationality and democracy. It raises questions concerning the mutual relationship between the supranational political process and democracy in the member states. How does the supranational politics influence the democracy in the member states, and how do democracies in the member states influence the supranational politics and policies? The research has an objective to provide a better understanding of the EMU structures through analyzing the discourse. It offers democratic criticism of the EMU from a discursive and partly from institutional point of view. It is suggested here that due to economic divergence, the existing differences in approaches to economic policy across the member states, and the dominance of the intergovernmental mode of cooperation at the European level the supranational political process takes the form of center-periphery relations. In this context, some policy concepts have a higher chance of being implemented not because of their ability to convince the majority, their argumentative quality, their values, or rationality but simply because of their origin in the center. Therefore, democracy and the domestic political process in the periphery become partly irrelevant, as the periphery loses the equal rights to actively participate in the agenda setting and in decision-making. As the framework of the EMU has not been the result of a European consensus, and the domestic political consensus does not play the key role in the process of policy definition anymore, gaps in legitimacy appear. These gaps persist, becoming larger under the circumstances of economic hardship. They do not only potentially damage the efficiency of policy measures and de-stabilize the political system but also endanger the democratic process itself, spreading civil frustration, apathy, a feeling of fatalism, radicalism, violence, and disintegration.

As it was stated at the very beginning of this thesis, European integration has a potential for strengthening the democratic quality of its member states under the conditions of globalization through projection of national interests beyond the state (Habermas 2011). The transfer of monetary policy to the European level without defining the

features of a common economic policy formally leaves both freedom of definition and responsibility for the latter to the member states. However, the intergovernmental dynamic and new modes of governance de facto set the agenda of economic policy in the member states, leading to alienation of the monetary and economic policies from the political process. Being the result of negotiations, the main pillars of the EMU do not reflect the difference in approaches to economic policy which the case studies proved to exist. In these circumstances, and regarding the unequal economic and political power relations, economically stronger states and private actors are able to promote their agenda, despite the resistance. The separation of monetary and economic policies proved to be quite symbolic because the EMU not only significantly reduces the alternatives for economic policy in the member states in the mid and long term but also disregards the right of the local actors to agree on the goals and instruments of economic program. As long as intergovernmental negotiations and the new modes of governance dominate the economic part of the EMU, the more powerful actors will be able to effectively promote and implement their agenda. Therefore, the case of the EMU demonstrates how its structures (being a result of negotiations rather than a broad consensus) hide the persistent asymmetries.

In the EMU, asymmetries in power are reflected in the center-periphery relations. Such asymmetries create a situation where citizens in the peripheral countries and disadvantaged social groups across the member states do not have an opportunity to participate directly in the decision-making and cannot choose from alternatives (as the hegemonial discourse fixes the agenda in the ordoliberal terms). Consequently, these asymmetries are against the principle of democracy and sovereignty of people. For example, in Greece, the results of an exclusively European discourse and of the massive loss of legitimacy are expressed in the strong political turbulence and radicalization in both the right and left directions of the political scale. In fact, this case demonstrated how the hegemonic discourse failed to naturalize itself (due to a widespread skepticism within the Greek political discourse about the European economic policy recommendations) and started losing its hegemonic status in the second phase of the discourse analysis in Greece (see part 6.4.9).

The fact that eurosceptic populism and the agenda of dis-integration (Epler/Scheller 2013) gained influence across the member states of the EU should be regarded as the result of legitimation crisis too, when both globalization and European integration limit the policy alternatives for articulation by the political establishment in

the member states. Especially the introduction of the European currency and the Maastricht Treaty split the European public into euroenthusiasts and eurosceptics. As Heisenberg argues, Maastricht marked the end of the civil permissive consensus, and part of the public started questioning their future inside the European project, especially due to the post-Maastricht years of fiscal austerity and the public perception of democratic deficit (Heisenberg 2006: 234). According to Scharpf, two challenges remain unaddressed in the EMU structure: the challenge of lost competitiveness and the challenge of counterproductive interest rates (Scharpf 2013: 130 ff). Both of these challenges reflect divergence among the member states which is not recognized or addressed within the structures of the EMU. In order for the EMU to become democratic and increase its legitimacy, it is crucial to achieve the real convergence of economies within the EMU. Common economic policy should not be bound with the results of negotiation, treaties, and 'expertise' or 'good practices' but should include social and political actors (stakeholders) from the member states on an equal basis. Similarly, the decision-making institutions responsible for the definition of economic policy must be sensitive to the demands of the citizens and must be accountable to them.

The fact that the European core is able to control the policies in the peripheries is the direct result of the originally unclear arrangements in the EMU. If the EMU would not be treated as a technical project but a political one, if the EMU would be a topic of open and public deliberation instead of negotiations, if citizens in the member states were made aware of the possible consequences of the membership in the EMU, then the original agenda of negotiations would have to be modified too. This is history now, and we will never know how it would end. Yet I suggest not only that such procedure would be more democratic but that it would also deliver democratic and legitimate results.

This research provides a perspective on the European Economic and Monetary Union, especially in the circumstances of a crisis, with the focus on asymmetries of power among its member states and on the democratic effects that such asymmetries have. It attempts to contribute to the conceptualization of the EU as an empire of a new type (Cooper 2002, Posener 2007, Zielonka 2006, Bieling 2010) through revealing the mechanism and nature of asymmetries between two member states as well as through assessing the hegemony of certain discourse at the EU level. Simultaneously, this thesis is about the relationship between supranationality and democracy. Extending the existing research on democracy in the EU (for an overview see Schaefer 2006) and the exist-

ing research on the effects of the supranational governance on the democratic institutions in the member states, for instance parliaments (see Benz 2013; Auel/Hoening 2014) and courts of justice (see Hoepner et al. 2010; Streinz 2009), this thesis focuses on the legitimizing discourse(s) and its constraints. It is aimed at exposing the apolitical and undemocratic side of the EMU because of the fact that the meanings in the discourse are fixed, and there is no space for their re-articulation. This thesis also contributes to the constitutionalization logic, which is used to describe the development of the EMU, especially during the EMU crisis since 2010 (Bieling 2011). Against the literature arguing for the deliberative models of democracy and democracy as a benchmark for the EU (Habermas 2011; Eriksen/Fossum 2012; Neyer 2006; Fabbrini 2011; Nicolaidis 2013; Cheneval/Schimmelfennig 2013), this thesis emphasizes the aspects which seriously hamper the implementation of those models. Extending the already existing research on the formal and institutional features of the EMU (Mulhearn/Vane 2008; Beetsma/Debrun 2004; De Grauwe 2013; Benz 2013) and on the gaps in the crisis management (Heinrich/Jessop 2013; Meiers 2015; Meyer-Rix 2013; Overbeek 2012; Radice 2014; Scharpf 2013; Becker 2014), this research offers a different perspective and provides the discursive data. This data, for example, also contradicts McNamara's explanation of the integration within the EMU based on the convergence of beliefs among the European elites about the right monetary policy (McNamara 1998).

Summing up, the EMU is neither exclusively supranational nor intergovernmental but in fact shares the features of both in a complex framework of center-periphery relations. Therefore, this research questions both supranationalism and intergovernmentalism. First, neither the preferences of supranational institutions nor those of the state actors can fully explain the dynamic of integration. One should rather consider their ability to form coalitions with each other and other actors. Second, the European authority undermines state sovereignty of some member states stronger than that of the others. In fact, in the EMU we observe a higher capacity of a member state to implement its agenda when compared with another member state, despite postulated equal positions of both. A core coalition is able to implement its agenda regardless of the resistance due to the asymmetry in economic and political resources across the member states. Finally, it is worth mentioning that the intergovernmental mode does not represent a democratic principle in the case of EMU; it does not ensure an equal participation of each member state in the decision-making process but further increases asymmetries instead of providing a base for convergence.

Moreover, against the central claim of the new intergovernmentalism, this thesis attempts to prove that deliberation and consensus do not represent the cornerstone of decision-making in the EMU (and in the EU as a whole, against Bickerton et al. 2015). Negotiations rather than deliberation represent the main *modus operandi* in the EMU.

Against democracy, the case of the EMU clearly indicates that the accommodation of differences would only be possible unto a certain degree, as such accommodation in this policy field quickly becomes inefficient and even pointless. Furthermore, two core ideas of democracy are questioned in this research: transnational non-domination and mutual recognition (Nikolaidis 2013). What originally seemed to be mutual recognition due to the lack of consensus turned into harmonization through domination, especially in the course of the EMU crisis.

The methodology of this research has an objective of examining the conflict and difference in the economic policy dynamic and in the legitimizing discourses (which transport the definitions of values in the member states). The findings from the case studies are then compared with the European level of the EMU in an attempt to assess how responsive is this level of decision-making to the domestic ideas, values, and justice perceptions in the member states. In this context, the discourse analysis is aimed at examining the ideational and relational (actor dimension) aspects of discourse. The research is focused on elite discourse because it is more narrowed down (than a public discourse) and plays the decisive role in the decision-making. Revealing the limits (in terms of ideas and actor coalitions) of the dominating discourse on economic and monetary policy at the European level allows us to draw the conclusions about the democratic implications of integration within the EMU and generally about the political nature of integration.

At the same time, this research has its limits. Concerning the supranational level, this research could benefit from a more in-depth look at supranational modes of governance, focusing more on the discursive divisions among the different member states, European institutions, and the connection (networks) of private and supranational actors. Moreover, although the position of the ECB is affiliated with certain interests in this thesis, further research is needed in order to explain certain shifts in its policy, for example the OMT program. Adding more case studies of member states and analysis of other policy fields would certainly verify the logic of this research. Similarly, while this research is focused on labor as a social group disadvantaged within the EMU, further research could certainly examine the suggested approach focusing on other groups of



population, such as gender groups. In my opinion, women as a social group are underrepresented in the decision-making too, yet would have to face bigger challenges in the member states of periphery (especially, under the conditions of economic crisis and budgetary austerity).

From the critical point of view, the method of discourse analysis can raise some questions. First, the analysis has a goal of observing the content and dynamics of the discourse by each actor over two periods, covering over seven years in total. Therefore, in order to make the analysis feasible, the total amount of communications had to be reduced. The sources used for the discourse analysis represent samples rather than every communication by an actor during the whole period under consideration. Thus, despite all the efforts to address this issue, there is still a chance that some important communications were not included in the analysis. Second, the research assumes that the divisions within the public discourse would be in line with those of the elite discourse. Yet the public discourse itself was not included in the analysis, as it would certainly increase the scale of this research by shifting its borders. Further research would be necessary in order to prove the relation between these two dimensions of discourse on the EMU. Despite the limits of this research, it raises an important issue of legitimacy of the European policies in the economic and monetary spheres that will hopefully encourage further discussion and research on this topic.

## **Bibliography**

Abdelal, Rawi (1998) The politics of monetary leadership and fellowership: stability in the European Monetary System since the currency crisis of 1992, *Political Studies*, Vol. 46, Issue 2, pp. 236-259.

Abels, Gabriele (2009) Citizens' deliberations and the EU democratic deficit: is there a model for participatory democracy? *Tübinger Arbeitspapiere zur Integrationsforschung* Nr. 1.

Abromeit, Heidrun (1995) Volksouveränität, Parlamentssouveränität, Verfassungssouveränität: Drei Realmodelle der Legitimation staatlichen Handelns, *Politische Vierteljahresschrift*, 36. Jg., Heft 1, pp. 49-66.

Abromeit, Heidrun; Schmidt, Thomas (1998) Grenzprobleme der Demokratie: konzeptionelle Überlegungen, in: Kohler-Koch B. (Hrsg.), *Regieren in entgrenzten Räumen, Opladen/ Wiesbaden: Westdeutscher Verlag.*

Abromeit, Heidrun (2002) *Wozu braucht man Demokratie? Die postnationale Herausforderung der Demokratietheorie*, Opladen: Leske + Budrich.

Abromeit, Heidrun (2003) Möglichkeiten und Ausgestaltung einer europäischen Demokratie, in: Klein A., Koopmanns R., Trenz H.-J., Klein L., Lahusen Ch., Rucht D. (Hrsg.), *Bürgerschaft, Öffentlichkeit und Demokratie in Europa*, Opladen: Leske+Budrich.

Abromeit, Heidrun (2004) Die Messbarkeit von Demokratie: zur Relevanz des Kontexts, *Politische Vierteljahresschrift*, 45 Jg., Heft 1, pp. 73-93.

Agamben, Giorgio (2002) *Homo sacer: die Souveränität der Macht und das nackte Leben*, Frankfurt-am-Main: Suhrkamp.

Agger, Ben (1991) Critical theory, poststructuralism and postmodernism: their sociological relevance, *Annual Review of Sociology*, 17, pp. 105-131.

Alesina, Alberto; Ardagna, Silvia; Giavazzi, Francesco (2010) The Euro and structural reforms, in: Alesina, Giavazzi (eds.), *Europe and the Euro*, Chicago: University of Chicago Press.

Andersen, Uwe (2004) Hat der Euro sich bewährt? Eine Zwischenbilanz nach fünf Jahren, in: Varwick J., Knelangen W. (Hrsg.), *Neues Europa – alte EU? Fragen an den europäischen Integrationsprozess*, Opladen: Leske + Budrich.

Anderson, Jeffrey (ed.) (1999) *Regional integration and democracy: expanding on the European experience*, NY/Oxford: Oxford University Press.

Andrews, David; Willett, Thomas (1997) Financial interdependence and the state: international monetary relations at century's end, *International Organization* Vol. 51, Issue 3, pp. 479-511.

Archibugi Daniele; Held, David (eds.) (1995), *Cosmopolitan Democracy: an agenda for a new world order*, Oxford: Polity Press.

Arendt, Hannah (1994) *Zwischen Vergangenheit und Zukunft: Übungen im politischen Denken I*, München: Piper.

Auel, Katrin; Hoing, Oliver (2014) Parliaments in the Euro crisis: can the losers of integration still fight back? *Journal of Common Market Studies*, Vol. 52, Issue 6, pp. 1184-1193.

Austin, John L. (1985) *Zur Theorie der Sprechakte*, Stuttgart: Reclam.

Baccaro, Lucio; Howell, Chris (2011) A common neoliberal trajectory: the transformation of industrial relations in advanced capitalism, *Politics and Society*, Vol.39, Issue 4, pp. 521-563.

Badie, Bertrand (2002) *Souveränität und Verantwortung: Politische Prinzipien zwischen Fiktion und Wirklichkeit*, 1. Auflage, Hamburg: Hamburger Edition.

Balser, Markus; Ritzer, Uwe (2016) *Lobbykratie: wie die Wirtschaft sich Einfluss, Mehrheiten, Gesetze kauft*, München: Droemer.

Barkawi, Tarak; Laffey, Mark (2002) Retrieving the imperial: empire and international relations, *Millennium – Journal of International Studies*, 31, pp. 109-127.

Bartolini, Stefano (2000) Collusion, competition and democracy: Part II, *Journal of Theoretical Politics*, Vol. 12, Issue 1, pp. 435-470.

Barreto, Antonio (1999) Portugal: democracy through Europe, in: J.J. Anderson (ed.), *Regional integration and democracy: expanding on the European experience*, New York/ Oxford: Oxford University Press.

Basios, Konstantinos; Karayiannis, John (2012) Ideological conflicts and communication strategies in Greece under the Stability Pact 2009-2011, Paper presented at 22nd IPSA World Congress of Political Science, Madrid.

Bartelson, Jens (2014) *Sovereignty as symbolic form*, London/New York: Routledge.

Becker, Uwe (2014) The heterogeneity of capitalism in crisis-ridden Europe, *Journal of Contemporary European Studies*, Vol. 22, No. 3, pp. 261-275.

Beetsma, Roel; Debrun, Xavier (2004) The interaction between monetary and fiscal policies in a monetary union: a review of recent literature, in: Beetsma R., Favero C., Misale A., Muscatelli A., Natale P., Tirelli P. (eds.), *Monetary Policy, Fiscal Policies and Labour Markets: Macroeconomic Policymaking in the EMU*, Cambridge: Cambridge University Press.

Begg, Iain (2009) Monetary policy strategies, in: Dyson K., Marcussen M. (eds.), *Central Banks in the age of the Euro*, Oxford: Oxford University Press.

Bell, Stephanie (2003) Neglected costs of monetary union: the loss of sovereignty in the sphere of public policy, in: Bell S.A, Nell E.J. (eds.), *The State, the Market and the Euro: Chartalism versus Metallism in the Theory of Money*, Cheltenham: Elgar.

- Benz, Arthur (1998) Ansatzpunkte für ein europafähiges Demokratiekonzept, in: Kohler-Koch B. (Hrsg.), *Regieren in entgrenzten Räumen*, Opladen/ Wiesbaden: Westdeutscher Verlag.
- Benz, Arthur (2003) Compounded representation in EU multi-level governance, in: Kohler-Koch B. (ed.), *Linking EU and national governance*, Oxford: Oxford University Press.
- Benz, Arthur (2005) Politikwissenschaftliche Diskurse über demokratisches Regieren im europäischen Mehrebenensystem, in: Bauer H., Huber P., Sommermann K.-P. (Hrsg.), *Demokratie in Europa*, Tübingen: Mohr Siebeck.
- Benz, Arthur (2013) An asymmetric two-level game: parliaments in the Euro crisis, in international politics: the European Union and beyond, in: Crum B., Fossum J. E. (eds.), *Practices of inter-parliamentary coordination in international politics*, Colchester: ECPR Press.
- Bickerton, Christopher J.; Hodson, Dermot; Puetter Uwe (2015) The new intergovernmentalism: European integration in the post-Maastricht era, *Journal of Common Market Studies*, Vol. 53, Number 4, pp. 703-722.
- Bickerton, Christopher J.; Hodson, Dermot; Puetter Uwe (2015) Something new: a rejoinder to Frank Schimmelfennig on the new intergovernmentalism, *Journal of Common Market Studies*, Vol. 53, Number 4, pp. 731-736.
- Bieling, Hans-Jürgen (2006) Intergouvernementalismus, in: Bieling H.-J., Lerch M. (Hrsg.), *Theorien der europäischen Integration*, 2. Auflage, Wiesbaden: VS Verlag für Sozialwissenschaften.
- Bieling, Hans-Jürgen (2010) *Die Globalisierungs- und Weltordnungspolitik der Europäischen Union*, 1. Auflage, Wiesbaden: VS Verlag.
- Bieling, Hans-Jürgen (2011) EU-Verfassungspolitik und Wirtschaftsregierung: Krisenkonstitutionalismus gegen Volkssouveränität und Demokratie, *Widerspruch* 61, pp. 61-70.
- Bieling, Hans-Jürgen (2012) European globalisation and world order politics, in: Nousios P., Overbeek H., Tsolakis A. (eds.), *Globalisation and European integration: critical approaches to regional order and international relations*, London/New York: Routledge.
- Bieling, Hans-Jürgen; Lux, Julia (2014) Crisis-induced social conflicts in the European Union – trade union perspectives: the emergence of ‘crisis corporatism’ or the failure of corporatist arrangements? *Global Labour Journal*, Vol. 5, No. 2, pp. 153-175.
- Bieling, Hans-Jürgen; Hüttmann, Martin Grosse (2016) Zur Einführung: Staatlichkeit der Europäischen Union in Zeiten der Finanzkrise, in: Bieling H.-J., Hüttmann M.G. (Hrsg.) *Europäische Staatlichkeit: Zwischen Krise und Integration*, Wiesbaden: Springer VS.

- Bitros, George (2013) From riches to rags or what went wrong in Greece, *Journal of Economic and Social Measurement*, Vol. 38, No. 1, pp. 5-39.
- Blaes-Hermanns, Nora (2007) Argumentations- und Rechtfertigungsstrategien im Armutsdiskurs: das Inklusionspotential deliberativer Gremien am Beispiel der Hartz-Kommission, in: Thaa W. (Hrsg.), *Inklusion durch Repräsentation*, 1. Auflage, Baden-Baden: Nomos.
- Blavoukos, Spyros; Pagoulatos, George (2008) Negotiating in stages: national positions and the reform of the Stability and Growth Pact, *European Journal of Political Research*, Vol. 47, pp. 247-267.
- Blyth, Mark (2013) *Austerity: the history of a dangerous idea*, New York: Oxford University Press.
- Bohman, James (2004) Expanding dialogue: the internet, the public sphere and prospects for transnational democracy, *The Sociological Review*, Vol. 52, Issue 1, pp. 131-155.
- Borras, Susana; Conzelmann, Thomas (2007) Democracy, legitimacy and soft modes of governance in the EU: the empirical turn, *Journal of European Integration*, Vol. 29, No. 5, pp. 531-548.
- Börzel, Tanja A. (2003) Demokratien im Wandel der Europäisierung, in: Katzenhusen I., Lamping W. (Hrsg.), *Demokratien in Europa: der Einfluss der europäischen Integration auf Institutionenwandel und neue Konturen des demokratischen Verfassungsstaates*, Opladen: Leske + Budrich.
- Börzel, Tanja A.; Risse, Thomas (2018) From the euro to the Shengen crises: European integration theories, politicization, and identity politics, in: *Journal of European Public Policy*, Vol. 25, No. 1, pp. 83-108.
- Branch, Jordan (2012) 'Colonial reflection' and territoriality: the peripheral origins of sovereign statehood, *European Journal of International Relations*, Vol. 18, Issue 2, pp. 277-297.
- Bratsis, Peter (2010) Legitimation crisis and the Greek explosion, *International Journal of Urban and Regional Research*, Vol. 34, Issue 1, pp. 190-196.
- Brown, Brendan (2010) *Euro crash: the implications of monetary failure in Europe*, Basingstoke: Palgrave Macmillan.
- Cafruny, Alan; Ryner, Magnus (2012) The global financial crisis and the European Union: the irrelevance of integration theory and the pertinence of critical political economy, in: Nousios P., Overbeek H., Tsolakis A. (eds.), *Globalisation and European integration: critical approaches to regional order and international relations*, London/New York: Routledge.
- Cain, Bruce E. (2005) Citizens in American federalism: locating accountability in a dispersed system, in: Fabbrini S. (ed.), *Democracy and Federalism in the European Union*

and the United States: exploring post-national governance, London/New York: Routledge.

Calliess, Christian (2005) Optionen zur Demokratisierung der Europäischen Union, in: Bauer H., Huber P., Sommermann K.-P. (Hrsg.), Demokratie in Europa, Tübingen: Mohr Siebeck.

Caporaso, James A. (2005) The emergence of the EU supranational polity and its implications for democracy, in: Fabbrini S. (ed.), Democracy and Federalism in the European Union and the United States: exploring post-national governance, London/New York: Routledge.

Caporaso, James; Wittenbrinck, Joerg (2006) The new modes of governance and political authority in Europe, *Journal of European Public Policy*, Vol. 13, No. 4, pp. 471-480.

Castiglione, Dario; Warren, Mark (2006) Rethinking democratic representation: eight theoretical issues, Paper delivered at the Centre for the Study of Democratic Institutions, University of British Columbia.

Cavell, Stanley (1979) *The claim of reason: Wittgenstein, skepticism, morality and tragedy*, Oxford: Clarendon Pr.

Chambers, Simone (2003) Deliberative democracy theory, in: *Annual Review of Political Science*, Vol. 6, Issue 1, pp. 307-326.

Cheneval, Francis (2011) *The government of the peoples: on the idea and principles of multilateral democracy*, New York: Palgrave Macmillan.

Cheneval, Francis; Schimmelfenning, Frank (2013) The case for democracy in the European Union, *Journal of Common Market Studies*, Vol. 51, Issue 2, pp. 334-350.

Citi, Manuele; Rhodes, Martin (2007) New modes of governance in the EU: common objectives versus national preferences, *European governance papers*, No. N-07-01.

Clarida, Richard; Gertler, Mark (1997) How the Bundesbank conducts monetary policy, in: Ch. Romer, D. Romer (eds.), *Reducing inflation: motivation and strategy*, University of Chicago Press.

Clogg, Richard (1979) The Greek Political Context, in: Tsoukalis L. (ed.), *Greece and the European Community*, Westmead.

Cohen, Daniel; Mélitz, Jacques; Oudiz, Gilles (1988) Le système monétaire européen et l'asymétrie franc-mark, *Revue économique*, Vol. 39, Nu. 3, pp. 667-677.

Cohen, Joshua; Sabel, Charles (1997) Directly-Deliberative Polyarchy, *European Law Journal*, Vol.3, No. 4, pp. 313-342.

Coppedge, Michael; Alvarez, Angel; Maldonado, Claudia (2008) Two persistent dimensions of democracy: contestation and inclusiveness, *The Journal of Politics*, Vol. 70, N. 3, pp. 632-647.

Cooper, Robert (2002) Why we still need empires, in: *The Observer*, 7<sup>th</sup> April.

- Crouch, Colin (2000a) Introduction: the political and institutional deficits of European Monetary Union, in: Crouch C. (ed.), *After the Euro: shaping institutions for governance in the wake of EMU*, New York: Oxford University Press.
- Crouch, Colin (2000b) National wage determination and European Monetary Union, in: Crouch C. (ed.), *After the Euro: shaping institutions for governance in the wake of EMU*, New York: Oxford University Press.
- Crouch, Colin (2008) *Postdemokratie*, Frankfurt-am-Main: Edition Suhrkamp.
- Crum, Ben; Fossum, John Erik (2013) Practices of interparliamentary coordination in international politics: the European Union and beyond, in: Crum B., Fossum J. E. (eds.), *Practices of inter-parliamentary coordination in international politics*, Colchester: ECPR Press.
- Dahl, Robert A. (1998) *On democracy*, New Haven: Yale University Press.
- Danopoulos, Constantine; Znidaric, Boris (2007) Informal economy, tax evasion, and poverty in a democratic setting: Greece, *Mediterranean Quarterly*, Vol. 18, Issue 2, pp. 67-84.
- Darge, Ekkehard (2009) *Korruption in der Bundespolitik Deutschlands: Fälle und Bekämpfungstrategien*, Oldenburg: BIS-Verlag.
- Dedoussopoulos, Apostolos; Lampropoulou, Manto (2012) Misreading the crisis – mis-specifying the policy, Paper presented at the 22<sup>nd</sup> IPSA World Congress of Political Science, Madrid.
- De Grauwe, Paul (2009) Some thoughts on monetary and political union, in: Talani L.S. (ed.), *The Future of EMU*, New York: Palgrave Macmillan.
- De Grauwe, Paul (2013) The political economy of the Euro, in: *Annual Review of Political Science* Vol. 16, Issue 1, pp. 153-170.
- De Wilde, Pieter; Zürn, Michael (2012) Can the Politicization of European integration be reversed? *Journal of Common Market Studies*, Vol. 50, No. 1, pp. 137-153.
- Dimitrakos, Dimitris (1979) Comment, in: Tsoukalis L. (ed.), *Greece and the European Community*, Westmead.
- Dingwerth Klaus; Blauberger, Michael; Schneider, Christian (2011) *Postnationale Demokratie: eine Einführung am Beispiel von EU, WTO und UNO*, 1. Auflage, Wiesbaden: VS Verlag für Sozialwissenschaften.
- Doyle, Michael W. (1986) *Empires*, Ithaca/ New York: Cornell University Press.
- Drossos, Yiannis (2011) Greece: the sovereignty of the debt, the sovereigns over the debts and some reflections on law, Institute for Global Law and Policy (Harvard Law School) Working Paper 2011/#7.
- Dryzek, John S.; Niemeyer, Simon (2008) Discursive Representation, *American Political Science Review*, Vol. 102, Issue 4, pp. 481-493.

- Dyson, Kenneth; Featherstone, Kevin (1999) *The road to Maastricht: negotiating Economic and Monetary Union*, New York: Oxford University Press.
- Dyson, Kenneth (2002) *Conclusions: European States and euro economic governance*, in: Dyson K. (ed.), *European States and the Euro: Europeanization, variation and convergence*, Oxford: Oxford University Press.
- Dyson, Kenneth (2002) *Germany and the Euro: redefining EMU, handling paradox, and managing uncertainty and contingency*, in: Dyson K. (ed.), *European States and the Euro: Europeanization, variation and convergence*, Oxford: Oxford University Press.
- Dyson, Kenneth; Goetz, Klaus H. (2003) *Living with Europe: power, constraint, and contestation*, in: Dyson K., Goetz K.H. (eds.) *Germany, Europe and the politics of constraint*, Oxford: Oxford University Press.
- Dyson, Kenneth (2003) *Economic policies: from pace-setter to beleaguered player*, in: Dyson K., Goetz K.H. (eds.) *Germany, Europe and the politics of constraint*, Oxford: Oxford University Press.
- Dyson, Kenneth (2009) *The age of the Euro: a structural break? Europeanization, Convergence, and Power in Central Banking*, in: Dyson K., Marcussen M. (eds.), *Central Banks in the age of the Euro*, Oxford: Oxford University Press.
- Dyson, Kenneth (2009b) *German Bundesbank: Europeanization and the paradoxes of power*, in: Dyson K., Marcussen M. (eds.), *Central Banks in the age of the Euro*, Oxford: Oxford University Press.
- Eichengreen, Berry; Wyplosz, Charles (1998) *Stability Pact: More than a minor nuisance?* In: Begg D., von Hagen J., Wyplosz C., Zimmermann K. F. (eds.), *EMU: Prospects and Challenges for the Euro*, Oxford: Blackwell.
- Eichengreen, Berry (2010) *The breakup of the Euro Area*, in: Alesina A., Giavazzi F. (eds.), *Europe and the Euro*, Chicago: Chicago University Press.
- Eichhorst, Werner (2015) *The unexpected appearance of a new German model*, in: *British Journal of Industrial Relations*, Vol.53, Issue 1, pp. 49-69.
- Eising, Rainer; Kohler-Koch, Beate (2002) *Governance in the European Union: a comparative assessment*, in: Kohler-Koch B., Eising R. (eds.), *The transformation of governance in the European Union*, London/ New York: Routledge.
- Elster, Jon (ed.) (1998) *Deliberative democracy*, Cambridge: Cambridge University Press.
- Emden, Christian; Midgley, David (2013) *Beyond Habermas? From the bourgeois public sphere to global publics*, in: Emden C., Midgley D. (eds.), *Beyond Habermas: democracy, knowledge, and the public sphere*, New York/ Oxford: Berghahn Books.
- Eppler, Annegret; Scheller, Henrik (2013) *Zug- und Gegenkräfte im europäischen Integrationsprozess*, in: Eppler A., Scheller H. (eds.) *Zur Konzeptionalisierung europäischer*



Desintegration: Zug- und Gegenkräfte im europäischen Integrationsprozess, 1. Auflage, Baden-Baden: Nomos.

Eriksen, Oddvar E. (2007) Conceptualising European public spheres: general, segmented and strong publics, in: Fossum J.E., Schlesinger Ph. (eds.), *The European Union and the Public Sphere: a communicative space in the making?* London/NY: Routledge.

Eriksen, Oddvar E.; Fossum John Erik (eds.) (2012) *Rethinking democracy and the European Union*, London/New York: Routledge.

Erlenbusch, Verena (2012) The concept of sovereignty in contemporary continental political philosophy, *Philosophy Compass* Vol. 7, Issue 6, pp. 365-375.

Everson, Michelle; Joerges, Christian; Deters Henning (2016) Wer ist der Hüter des europäischen Konstitutionalismus nach der Finanzkrise? In: Bieling H.-J., Hüttmann M.G. (Hrsg.) *Europäische Staatlichkeit: Zwischen Krise und Integration*, Wiesbaden: Springer VS.

Eyffinger, Sylvester C.W. (1991) Konvergenz in der Geldpolitik: das Beispiel Deutschland – Frankreich, in: Weber M. (Hrg.), *Europa auf dem Weg zur Währungsunion*, Darmstadt: Wissenschaftliche Buschgesellschaft.

Fabbrini, Sergio (2003) Bringing Robert A. Dahl's theory of democracy to Europe, *Annual Review of Political Science*, Vol. 6, Issue 1, pp. 119-137.

Fabbrini, Sergio (2011) Compound democracy, available at Social Science Research Network: [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2428804](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2428804)

Fairclough, Norman (2010) *Critical discourse analysis: the critical study of language*, Harlow: Longman applied linguistics.

Fatas, Antonio (1998) Does EMU need a fiscal federation? in: Begg D., von Hagen J., Wyplosz C., Zimmermann K. F. (eds.), *EMU: Prospects and Challenges for the Euro*, Oxford: Blackwell.

Featherstone, Kevin (2003) Greece and EMU: between external empowerment and domestic vulnerability, *Journal of Common Market Studies*, Vol. 41, Issue 5, pp. 923-940.

Featherstone, Kevin; Papadimitriou, Dimitris (2008) *The limits of Europeanization: reform capacity and policy conflict in Greece*, New York: Palgrave Macmillan.

Fishkin, James S.; Laslett, Peter (2003) *Debating Deliberative Democracy*, Cornwall: Blackwell Publishing Ltd.

Fitoussi, Jean Paul; Creel, Jerome (2007) The European Central Bank and the Economic Government of Europe', in: Paganetto L. (ed.), *The Political Economy of the European Constitution*, Aldershot: Ashgate.

Follesdal, Andreas (2006) EU legitimacy and normative political theory, in: Cini M., Bourne A.K. (eds.), *Palgrave advances in European Union studies*, Basingstoke: Palgrave Macmillan.

- Follesdal, Andreas (2011) The legitimacy challenges for new modes of governance: trustworthy responsiveness, *Government and Opposition*, Vol. 46, No. 1, pp. 81-100.
- Follesdal, Andreas; Hix, Simon (2006) Why there is a democratic deficit in the EU: a response to Majone and Moravcsik, in: *Journal of Common Market Studies*, Vol. 44, Issue 3, pp. 533-562.
- Forder, James (2004) The ECB and the decline of European democracy, in: Ljungberg J. (ed.), *The Price of the Euro*, Basingstoke: Palgrave Macmillan.
- Fossum, John Erik; Schlesinger, Philip (2007) *The European Union and the Public Sphere: a communicative space in the making?* London/New York: Routledge.
- Foucault, Michel (2008) *Die Hauptwerke*, 1. Auflage, Frankfurt-am-Main: Suhrkamp.
- Foucault, Michel (2010a) *The birth of biopolitics: lectures at the College de France 1978-1979*, Eastbourne: Sussex Academic Press.
- Foucault, Michel (2010b) *Kritik des Regierens*, Berlin: Suhrkamp Verlag.
- Foucault, Michel (2014) *Überwachen und Strafen: die Geburt des Gefängnisses*, 19. Auflage, Frankfurt-am-Main: Suhrkamp.
- Foucault, Michel (1980) *Power/Knowledge: selected interviews and other writings 1972-1977*, New York: Pantheon Books.
- Frangakis, Marica (2012) Die Staatsschuldenkrise in Griechenland und das europäische Projekt: Dynamik und Folgen, in: *Z.*, Nummer 92, pp. 163-177.
- Frangakis, Marica (2013) Inequality and redistribution in the Greek crisis, available at: <http://www.zeitschrift-luxemburg.de/inequality-and-redistribution-in-the-greek-crisis/>
- Frenz, W. (2009) Unabwendbares Europarecht nach Maßgabe des BVerfG? *Europäisches Wirtschafts- und Steuerrecht*, 20 (Heft 8), pp. 297-303.
- Fröhlich, Hans-Peter (1991) Die Europäische Währungsunion aus Sicht der Unternehmen, in: Weber M. (Hrg.), *Europa auf dem Weg zur Währungsunion*, Darmstadt: Wissenschaftliche Buschgesellschaft.
- Gee, James Paul (2011) *An introduction to discourse analysis: theory and method*, New York: Routledge.
- Geulen, Eva; Kauffmann, Kai; Mein Georg (Hrsg.) (2008) *Hannah Arendt and Giorgio Agamben: Parallelen, Perspektiven, Kontroversen*, München: Fink.
- Grande, Edgar; Kriesi Hanspeter (2015) Die Eurokrise: Ein Quantensprung in der Politisierung des europäischen Integrationsprozesses? *Politische Vierteljahresschrift*, 56. Jg., Heft 3, pp. 479-505.
- Grimm, Dieter (1995) Does Europe need a constitution? *European Law Journal*, Vol. 1, Issue 3, pp. 282-302.

Grüner, Hans Peter; Hefeker, Carsten (1999) How will EMU affect inflation and unemployment in Europe? *The Scandinavian Journal of Economics*, Vol. 101, Issue 1, pp. 33-47.

Gutmann, Amy; Thompson, Dennis (2000) *Democracy and disagreement*, Cambridge: the Belknap Press of Harvard University Press.

Habermas, Jürgen (1992) *Faktizität und Geltung: Beiträge zur Diskurstheorie des rechts und des demokratischen Rechtsstaats*, 1. Auflage, Frankfurt-am-Main: Suhrkamp.

Habermas, Jürgen (1996) *Die Einbeziehung des Anderen: Studie zur politischen Theorie*, Frankfurt-am-Main: Suhrkamp.

Habermas, Jürgen (2011) *Zur Verfassung Europas*, 1. Auflage, Berlin: Suhrkamp Verlag.

Hallerberg, Mark; Strauch, Rolf Rainer; Von Hagen, Jürgen (2009) *Fiscal Governance in Europe*, New York: Cambridge University Press.

Hallerberg, Mark; Marzinotto, Benedicta; Wolff, Guntram (2011) How effective and legitimate is the European Semester? Increasing the role of the European Parliament, Bruegel Working Paper 2011/09.

Halter, Ulrich (2005) *Europarecht und das Politische*, Tübingen: Mohr Siebeck.

Halter, Ulrich (2007) *Was bedeutet Souveränität?* Tübingen: Mohr Siebeck.

Hardt, Michael; Negri, Antonio (2002) *Empire: die neue Weltordnung*, Frankfurt-am-Main: Campus.

Hardt, Michael; Negri, Antonio (2004) *Multitude: Krieg und Demokratie im Empire*, Frankfurt-am-Main/New York: Campus.

Havercroft, Jonathan (2011) *Captives of sovereignty*, New York: Cambridge University Press.

Heine, Michael; Herr, Hansjörg (2004) *Die Europäische Zentralbank: eine kritische Einführung in die Strategie und Politik der EZB*, Marburg: Metropolis.

Heinrich, Mathis; Jessop, Bob (2013) Die EU-Krise aus Sicht der Kulturellen Politischen Ökonomie: Krisendeutungen und ihre Umsetzung, *Das Argument* 301, 55. Jahrgang, Heft 1-2, pp. 19-33.

Heipertz, Martin; Verdun, Amy (2010) *Ruling Europe: the politics of the Stability and Growth Pact*, New York: Cambridge University Press.

Heisenberg, Dorothee (2006) From the single market to the single currency, in: Dinan D. (ed.), *Origins and evolution of the European Union*, New York: Oxford University Press.

Held, David (1995) Chapter 3: European institutions, nation-states and nationalism, in: Archibugi D., Held D. (eds.), *Cosmopolitan Democracy: an agenda for a new world order*, Oxford: Polity Press.

Held, David; Koenig-Archibugi Mathias (eds.) (2003), *Taming Globalization: Frontiers of Governance*, Oxford: Polity Press.

Heritier, Adrienne (2001) New modes of governance in Europe: policy-making without legislating? Preprints aus der Max-Planck-Projektgruppe Recht der Gemeinschaftsgüter.

Heritier, Adrienne; Lehmkuhl, Dirk (2008) Introduction: the shadow of hierarchy and new modes of governance, *Journal of Public Policy*, Vol. 28, Issue 1, pp. 1-17.

Heritier, Adrienne; Lehmkuhl, Dirk (2011) New modes of governance and democratic accountability, *Government and Opposition*, Vol. 46, Issue 1, pp. 126-144.

Hix, Simon (2005) *The political system of the European Union*, 2nd edition, Basingstoke: Palgrave Macmillan.

Hobbes, Thomas (2007) *Der Leviathan*, 11. Aufl., Köln: Anaconda.

Hooghe, Liesbet; Marks, Gary (2009) A postfunctionalist theory of European integration: from permissive consensus to constraining dissensus, in: *British Journal of Political Science*, Vol. 39, Issue 1, pp. 1-23.

Howarth, David (2009) The European Central bank: the bank that rules Europe? In: Dyson K., Marcussen M. (eds.), *Central Banks in the Age of the Euro: Europeanization, Convergence, and Power*, Oxford: Oxford University Press.

Höing, Oliver (2015) With a little help of Constitutional Court: the Bundestag on its way to an active policy shaper, in: Neuhold C., Rozenberg O., Smith J., Heffler C. (Eds.), *The Palgrave handbook of national parliaments and the European Union*, Palgrave Macmillan, pp. 191-208.

Höpner, Martin; Leibfried, Stephan; Höreth, Marcus; Scharpf, Fritz W.; Zürn, Michael (2010) Kampf um Souveränität? Eine Kontroverse zur europäischen Integration nach dem Lissabon-Urteil des Bundesverfassungsgerichts, *Politische Vierteljahresschrift*, Vol. 51, Heft 2, pp. 323-355.

Hueglin, Thomas (2002) Government, governance, governmentality: understanding the EU as a project of universalism, in: Kohler-Koch B., Eising R. (eds.), *The transformation of governance in the European Union*, London/ New York: Routledge.

Huget, Holger (2002) Europäische Mehrebenen-Demokratie? *Wirtschaft und Politik Occasional Paper Nr. 18*.

Ingram, David (ed.) (2010) *The history of continental philosophy: critical theory to structuralism*, vol. 5, Durham: Acumen.

Ioakimidis, Panayiotis (2001) *The Europeanization of Greece: an overall assessment*, in: K. Featherstone; Kazamias G., *Europeanization and the Southern periphery*, London: Frank Cass.

Issing, Otmar (1999) *The eurosystem: transparent and accountable or 'Willem in Euro-land'*, *Journal of Common Market Studies*, Vol. 37, Issue 3, pp. 503-519.

Jabko, Nicolas (2009) *Transparency and accountability*, in: Dyson K., Marcussen M. (eds.), *Central Banks in the Age of the Euro: Europeanization, Convergence, and Power*, Oxford: Oxford University Press.

James, Harold (2012) *Making the European Monetary Union: the role of the Committee of Central Bank Governors and the origins of the European Central Bank*, Cambridge/London: The Belknap Press of Harvard University Press.

Janning, Jozef (2006) *Bundesrepublik Deutschland*, in: Wessels W.; Weidenfeld W. (Hrsg.), *Jahrbuch der Europäischen Integration 2005*, Baden-Baden: Nomos.

Jessop, Bob (2014) *Variegated capitalism, das Modell Deutschland, and the eurozone crisis*, *Journal of Contemporary European Studies*, Vol. 22, No. 3, pp. 248-260.

Joerges, Christian (2002) *Deliberative Supranationalism — two defences*, *European Law Journal*, Vol. 8, Issue 1, pp. 133-151.

Joerges, Christian (2015) *The European economic constitution and its transformation through the financial crisis*, ZenTra Working Paper in Transnational Studies No. 47.

Joerges, Christian; Neyer, Jürgen (1998) *Von intergouvernementalem Verhandeln zur deliberativen Politik: Gründe und Chancen für eine Konstitutionalisierung der europäischen Komitologie*, in: Kohler-Koch B. (Hrsg.), *Regieren in entgrenzten Räumen*, Opladen/ Wiesbaden: Westdeutscher Verlag.

Kahn, Paul (2011) *Political Theology: four new chapters on the concept of sovereignty*, New York: Columbia University Press.

Kaiser, Christian (2006) *Korporatismus in der Bundesrepublik Deutschland: eine politikfelderübergreifende Übersicht*, Marburg: Metropolis.

Kalaitzidis, Akis (2010) *Europe's Greece: a giant in the making*, New York: Palgrave Macmillan.

Kantorowicz, Ernst H. (1990) *Die zwei Körper des Königs: eine Studie zur politischen Theologie des Mittelalters*, München: Deutscher Taschenbuch Verlag.

Karamessini, Maria (2008) *Continuity and change in the southern European social model*, *International Labour Review*, Vol. 147, Issue 1, pp. 43-70.

Karlsson, Christer (2001) *Democracy, legitimacy and the European Union*, Stockholm: Elanders Gotab.

- Kazakos, Panos (2004) Europeanisation, public goals and group interests: convergence policy in Greece, 1990-2003, *West European Politics*, Vol. 27, Issue 5, pp. 901-918.
- Kielmansegg, Peter Graf (1996) *Integration und Demokratie*, in: Jachtenfuchs M., Kohler-Koch B. (Hrsg.), *Europäische Integration*, Opladen: Leske + Budrich
- Kohler-Koch, Beate (1998) *Effizienz und Demokratie: Probleme des Regierens in entgrenzten Räumen*, in: Kohler-Koch B. (Hrsg.), *Regieren in entgrenzten Räumen*, Opladen/ Wiesbaden: Westdeutscher Verlag.
- Kohler-Koch, Beate (2000) *Beyond Amsterdam: Regional integration as social process*, in: Neunreither K., Wiener A. (eds.) *European integration after Amsterdam: institutional dynamics and prospects for democracy*, Oxford: Oxford University Press.
- Kohler-Koch, Beate; Couzelmann, Thomas; Knodt, Michele (2004) *Europäische Integration – Europäisches Regieren*, 1. Auflage, Wiesbaden: VS Verlag für Sozialwissenschaften.
- Kohler-Koch, Beate (2013) *Civil society and democracy in the EU: high expectations under empirical scrutiny*, in: Kohler-Koch B., Quittkat C. (eds.) *De-mystification of participatory democracy: EU governance and civil society*, Oxford: Oxford University Press.
- Kritidis, Gregor (2013) *No Staatsbankrott in Greece*, available at: <http://sopos.org/aufsaeetze/50e44ac9bec39/1.phtml>
- Laclau, Ernesto (2014) *Warum Populismus?* LuXemburg: *Gesellschaftsanalyse und linke Praxis* 1/2014, <http://www.zeitschrift-luxemburg.de/warum-populismus/>
- Laclau, Ernesto; Chantal Mouffe (2001) *Hegemony and socialist strategy: towards a radical democratic politics*, second edition, London/ New York: Verso.
- Lavdas, Kostas A. (1997) *The Europeanization of Greece: interest politics and the crisis of Integration*, New York: St. Martin's Press, inc..
- Lefebvre, Maxime (2011) *Réenchancer le rêve européen?* I.F.R.I. *Politique étrangère* 2011/4-Hiver, pp. 743-754.
- Lohmann, Susanne (1998) *Federalism and central bank independence: the politics of German monetary policy, 1957-92*, *World Politics*, Vol. 50, No. 3, pp. 401-446.
- Lord, Christopher (1998) *Democracy in the European Union*, Sheffield: Sheffield Academic Press.
- Love, Nancy S. (1989) *Foucault and Habermas on discourse and democracy*, *Polity*, Vol. 22, N. 2, pp. 269-293.
- Louri, Helen; Pepelasis Minoglou, Ioanna (2002) *A hesitant evolution: industrialization and de-industrialisation in Greece over the long run*, available at Munich Personal RePEc Archive: <https://mpira.ub.uni-muenchen.de/29275/>

Leuffen, Dirk; Rittberger, Berthold; Schimmelfennig, Frank (2013) Differentiated integration: explaining variation in the European Union, 1 publ., Basingstoke: Palgrave Macmillan.

Madung, Otto Gusti Nd. (2008) Politik und Gewalt: Giorgio Agamben und Jürgen Habermas im Vergleich, München: Utz.

Macartney, Moran (2009) Financial Supervision: internationalization, Europeanization, and power, in: Dyson K., Marcussen M. (eds.), Central Banks in the Age of the Euro: Europeanization, Convergence, and Power, Oxford: Oxford University Press.

Majone, Giandomenico (1997) From the positive to regulatory state: causes and consequences of changes in the mode of governance, *Journal of Public Policy*, Vol. 17, No. 2, pp. 139-167.

Majone, Giandomenico (1998) Europe's 'democratic deficit': the question of standards, *European Law Journal*, Vol. 4, No. 1, pp. 5-28.

Mair, Peter (2013) Smaghi versus the Parties: Representative Government and Institutional Constraints, in: Schaefer A., Streeck W. (eds.) *Politics in the age of austerity*, Stockport: Polity Press.

Malcolm, Levitt; Lord, Christopher (2000) *The political economy of monetary union*, Basingstoke/ London: Macmillan Press LTD.

Mansbridge, Jane (2003) Rethinking representation, *American Political Science Review*, Vol. 97, No. 4, pp. 515-528.

Mansbridge, Jane (2009) A "selection model" of political representation, *The Journal of Political Philosophy*, Vol. 17, No. 4, pp. 369-398.

Marcinkowski, Frank (2005) Deliberation, Medienöffentlichkeit und direktdemokratischer Verfassungsentscheid: der Fall Liechtenstein, in: Hitzel-Cassagnes T., Schmidt T. (Hrsg.), *Demokratie in Europa und europäische Demokratien: Festschrift für Heidrun Abromeit*, 1. Auflage, Wiesbaden: VS Verlag für Sozialwissenschaften.

Marcussen, Martin (2009) Scientization of Central Banking: the Politics of A-Politization, in: Dyson K., Marcussen M. (Hrsg.), *Central Banks in the age of the Euro*, Oxford: Oxford University Press.

Marsh, David (2011) *The Euro: the battle for the New Global Currency*, Yale University Press: London.

Martin, Irene; Dinas, Elias (2010) Greece: looking beyond the economic crisis, Working paper of Real Instituto Elcano, ARI 91/2010.

Martin, Peter (2013) When a guess is as good as a forecast, in: *The Sydney Morning Herald*, available at: <http://www.smh.com.au/federal-politics/political-opinion/when-a-guess-is-as-good-as-a-forecast-20130108-2cep8.html>

- Matsaganis, Manos (2013) *The Greek crisis: social impact and policy responses*, Study by Friedrich Ebert Stiftung, Department of Western Europe/ North America.
- Matsaganis, Manos; Flevotomou, Maria (2010) *Distributional implications of tax evasion in Greece*, GreeSE Paper No 31, Hellenic Observatory Papers on Greece and Southeast Europe.
- Matsaganis, Manos; Ferrera, Maurizio; Capucha, Luis; Moreno, Luis (2003) *Mending nets in the South: anti-poverty policies in Greece, Italy, Portugal and Spain*, *Social Policy and Administration*, Vol. 37, Issue 6, pp. 639-655.
- McNamara, Kathleen R. (1998) *The Currency of Ideas: monetary politics in the European Union*, Ithaca: Cornell University Press.
- Meiers, Franz-Josef (2015) *Germany's role in the Euro crisis: Berlin's Quest for a more perfect monetary union*, Heidelberg: Springer International Publishing Switzerland.
- Merkel, Wolfgang (1999) *Legitimacy and democracy*, in: Anderson J. (ed.) *Regional integration and democracy*, NY/Oxford: Oxford University Press.
- Meyer-Rix, Ulf (2013) *Die Krise der Europäischen Währungsunion: gemeinsames Geld ohne gemeinschaftliche Souveränität*, in: Eppler A., Scheller H. (eds.) *Zur Konzeptionalisierung europäischer Desintegration: Zug- und Gegenkräfte im europäischen Integrationsprozess*, 1. Auflage, Baden-Baden: Nomos.
- Michailidou, Asimina; Trenz, Hans-Jörg (2013) *Mediatized representative politics in the European Union: towards audience democracy?* *Journal of European Public Policy*, Vol. 20, pp. 260-277.
- Milward, Alan (1992) *The European Rescue of the nation state*, London: Routledge.
- Mitchell, Joan (1979) *Comment*, in: Tsoukalis L. (ed.), *Greece and the European Community*, Westmead.
- Moran, Michael; Macartney, Huw (2009) *Central banking reform and international financial market regulation*, in: Dyson K., Marcussen M. (eds.), *Central banks in the age of the Euro: Europeanization, convergence, and power*, Oxford: Oxford University Press.
- Moravcsik, Andrew (1998) *The choice for Europe: social purpose and state power from Messina to Maastricht*, Ithaca: Cornell University Press.
- Moravcsik, Andrew (2002) *In defence of the 'democratic deficit': reassessing legitimacy in the European Union*, *Journal of Common Market Studies*, vol. 40, Issue 4, pp. 603-624.
- Mouffe, Chantal (2008) *Das demokratische Paradox*, Wien: Verlag Turia + Kant.
- Mourlon-Druol, Emmanuel (2012) *A Europe made of money: the emergence of the European Monetary System*, Ithaca/London: Cornell University Press.
- Mulhearn, Chris; Vane, Howard (2008) *The Euro: its origins, development and prospects*, Cornwall: MPG Books Ltd.



Münkler, Herfried (2005) *Imperien: Die Logik der Weltherrschaft – vom Alten Rom bis zu den Vereinigten Staaten*, 2. Auflage, Berlin: Rowohlt Berlin Verlag.

Mylonas, Harris (2014) *Democratic politics in times of austerity: the limits of forced reform in Greece*, *American Political Science Association*, Vol. 12, No.2, pp. 435-443.

Neyer, Jürgen (2006) *The deliberative turn in integration theory*, *Journal of European Public Policy*, 13, Issue 5, pp. 779-791.

Neyer, Jürgen (2013) *Globale Demokratie: eine zeitgemäße Einführung in die Internationalen Beziehungen*, 1. Auflage, Baden-Baden: Nomos Verlagsgesellschaft.

Newman, Michael (1996) *Democracy, sovereignty and the European Union*, London: Hurst & Company.

Newman, Abraham (2015) *The reluctant leader: Germany's Euro experience and the long shadow of reunification*, in: Matthias Matthijs, Mark Blyth (eds.), *The future of the Euro*, Oxford University Press: New York.

Nicolaidis, Kalypso (2012) *The idea of European democracy*, available at: [http://kalypsonicolaidis.com/wp-content/uploads/2015/02/2013\\_TheIdeaofDemocracy.pdf](http://kalypsonicolaidis.com/wp-content/uploads/2015/02/2013_TheIdeaofDemocracy.pdf)

Nicolaidis, Kalypso (2013) *European democracy and its crisis*, *Journal of Common Market Studies*, Vol. 51, Issue 2, pp. 351-369.

Nousios, Petros; Tsolakis, Andreas (2012) *The contested reconstruction of the Belle Epoque?* In: Nousios P., Overbeek H., Tsolakis A. (eds.), *Globalisation and European integration: critical approaches to regional order and international relations*, London/New York: Routledge.

Nölke, Andreas (2006) *Supranationalism*, in: Bieling H.-J., Lerch M. (Hrsg.): *Theorien der europäischen Integration*, 2. Auflage, Wiesbaden: VS Verlag für Sozialwissenschaften.

Oberndorfer, Lukas (2016) *Der neue Konstitutionalismus in der Europäischen Union und seine autoritäre Re-Konfiguration*, in: Bieling H.J., Hüttmann M.G. (Hrsg.), *Europäische Staatlichkeit: Zwischen Krise und Integration*, Wiesbaden: Springer VS.

Oeter, Stefan (1997) *Souveränität und Legitimation staatlicher Herrschaft im europäischen Mehrebenensystem*, in: Epiney A., Siegwart K. (Hrsg.), *Direkte Demokratie und Europäische Union*, Freiburg: Universitätsverlag.

Oltheten, Elisabeth; Pinteris, George; Sougiannis, Theodore (2003) *Greece in the European Union: policy lessons from two decades of membership*, *The Quarterly Review of Economics and Finance*, Vol. 43, Issue 5, pp. 774-806.

O'Leary, Timothy (2010) *Rethinking experience with Foucault*, in: Falzon Ch., O'Leary T. (eds.), *Foucault and philosophy*, Chichester: Wiley-Blackwell.

Overbeek, Henk (2012) Global capitalist crisis and the future of the European project, in: Nousios P., Overbeek H., Tsolakis A. (eds.), *Globalisation and European integration: critical approaches to regional order and international relations*, London/New York: Routledge.

Pagoulatos, George (2001) Economic adjustment and financial reform: Greece's Europeanization and the emergence of a stabilization state, in: K. Featherstone, Kazamias G., *Europeanization and the Southern periphery*, London: Frank Cass.

Pagoulatos, George (2002) Perceptions of governance in Greek state retreat: implementing policy change against policy-making persistence, in: Kohler-Koch B., Eising R. (eds.), *The transformation of governance in the European Union*, London/ New York: Routledge.

Pagoulatos, George (2004) Believing in national exceptionalism: ideas and economic divergence in Southern Europe, *West European Politics* 27, Issue 1, pp. 45-70.

Pagoulatos, George (2009) Bank of Greece: latecomer, uphill adjustment, in: Dyson K., Marcussen M. (eds.), *Central Banks in the age of the Euro*, Oxford: Oxford University Press.

Piattoni, Simona (2010) *The theory of multi-level governance: conceptual, empirical, and normative challenges*, Oxford: Oxford University Press.

Pierson, Paul (2001) Coping with permanent austerity: welfare state restructuring in affluent democracies, in: Pierson P. (ed.), *The new politics of the welfare state*, Oxford: Oxford University Press.

Pollack, Mark A. (2003) The new institutionalism and European Integration, in: Wiener A., Dietz, Th. (eds.), *European Integration Theory*, Oxford: Oxford University Press.

Pollak, Johannes; Slominski, Peter (2012) *Das politische System der EU*, 2. Auflage, Wien: facultas.wuv.

Polychroniou, Chronis J. (2011) An unblinking glance at a national catastrophe and the potential dissolution of the Eurozone: Greece's debt crisis in context, Working Paper No. 688, Levy Economics Institute of Bard College.

Ponsot, Jean-Francois (2007) Dollarization and the Hegemotic Status of the US Dollar, in: L.-P. Rochon, S. Rossi (eds.) *Monetary and Exchange Rate Systems: a global view of financial crises*, Massachusetts: Edward Elgar Publishing.

Popkin, Richard (2003) *The History of scepticism: from Savonarola to Bayle*, Oxford: Oxford University Press.

Posener, Alan (2007) *Imperium der Zukunft: warum Europa Weltmacht werden muss*, Bonn: Bundeszentrale für politische Bildung.

Puntscher Riekmann, Sonja (2016) Geld und Souveränität, in: Bieling H.-J., Hüttmann M.G. (Hrsg.) Europäische Staatlichkeit: Zwischen Krise und Integration, Wiesbaden: Springer VS.

Radice, Hugo (2014) Enforcing austerity in Europe: the structural deficit as a policy target, *Journal of Contemporary European Studies*, Vol. 22, Issue 3, pp. 318-328.

Rehfeld, Andrew (2009) Representation rethought: on trustees, delegates, and gyroscopes in the study of political representation and democracy, *American Political Science Review*, Vol. 103, Issue 2, pp. 214-230.

Rhodes, Martin (1997) Southern European Welfare States: identity, problems and prospects for reform, in: Rhodes M. (ed.), *Southern European welfare states: between crisis and reform*, London/ Portland: Frank Cass & Co.

Rhodes, Martin; Heywood, Paul; Wright, Vincent (1997) Towards a new Europe? In: Rhodes M., Heywood P., Wright V. (eds.) *Developments in West European Politics*, Basingstoke/London: Macmillan Press.

Rhodes, Martin; van Apeldoorn, Bastiaan (1997) Capitalism versus capitalism in Western Europe, in: Rhodes M., Heywood P., Wright V. (eds.) *Developments in West European Politics*, Basingstoke/London: Macmillan Press.

Rodrik, Dani (2000) Grenzen der Globalisierung: ökonomische Integration und soziale Desintegration, Frankfurt-am-Main: Campus Verlag.

Rodrik, Dani (2011) Das Globalisierungsparadox: die Demokratie und die Zukunft der Weltwirtschaft, München: Beck.

Rosamond, Ben (2000) *Theories of European Integration*, New York: St. Martin's Press.

Sabel, Charles F.; Zeitlin, Jonathan (2012) Experimentalist governance, available at ResearchGate:

[https://www.researchgate.net/profile/Charles\\_Sabel/publication/228435683\\_Experimentalist\\_Governance/links/00463520ea077a6846000000.pdf](https://www.researchgate.net/profile/Charles_Sabel/publication/228435683_Experimentalist_Governance/links/00463520ea077a6846000000.pdf)

Sanders, Lynn M. (1997) Against deliberation, *Political Theory* 25, Issue 3, pp. 347-376.

Sassen, Saskia (2008) *Das Paradox des Nationalen: Territorium, Autorität und Rechte im globalen Zeitalter*, Frankfurt am Main: Suhrkamp.

Saurugger, Sabine (2008) Avons-nous besoin d'une sociologie des relations internationales pour analyser l'integration europeenne? *Politique Europeenne*, Vol. 2, no. 25, pp. 193-216.

Saurugger, Sabine (2012) Multilevel governance and the sovereignty problem, Paper presented at the 22<sup>nd</sup> IPSA World Congress of Political Science, Madrid.

- Sbragia, Alberta M. (2005) Post-national democracy as post-national democratization, in: Fabbrini S. (ed.), *Democracy and Federalism in the European Union and the United States: exploring post-national governance*, London/New York: Routledge.
- Scharpf, Fritz W. (1999a) *Governing in Europe: effective and democratic?* Oxford: Oxford University Press.
- Scharpf, Fritz W. (1999b) *Regieren in Europa: Effektiv und demokratisch?* Frankfurt-am-Main: Campus Verlag.
- Scharpf, Fritz W. (2010) *Community and Autonomy: institutions, policies and legitimacy in multilevel Europe*, Frankfurt/ New York: Campus Verlag.
- Scharpf, Fritz W. (2012) Discussion Paper 12/6: Legitimacy intermediation in the multilevel European Polity and its collapse in the Euro crisis, Cologne: Max-Planck-Institut für Gesellschaftsforschung.
- Scharpf, Fritz W. (2013) Monetary Union, Fiscal Crisis and the Disabling of Democratic Accountability, in: Schäfer A., Streeck W. (eds.) *Politics in the age of austerity*, Stockport: Polity Press.
- Scharpf, Fritz W. (2013b) The costs of non-disintegration: the case of the European Monetary Union, in: Eppler A., Scheller H. (eds.) *Zur Konzeptionalisierung europäischer Desintegration: Zug- und Gegenkräfte im europäischen Integrationsprozess*, 1. Auflage, Baden-Baden: Nomos.
- Schäfer, Armin (2006) Nach dem permissiven Konsens. Das Demokratiedefizit der Europäischen Union, *Leviathan*, Vol. 34, Issue 3, pp. 350-376.
- Schäfer, Armin; Streeck, Wolfgang (2013) Introduction: Politics in the age of austerity, in: Schäfer A., Streeck W. (eds.) *Politics in the age of austerity*, Stockport: Polity Press.
- Schimmelfennig, Frank (1996) Legitimate rule in the European Union: the academic debate, *Tübinger Arbeitspapiere zur internationalen Politik und Friedensforschung*, N. 27, Tübingen.
- Schimmelfennig, Frank (2003) Liberal intergovernmentalism, in: Wiener A., Diez Th. (eds.), *European Integration Theory*, Oxford: Oxford University Press.
- Schimmelfennig, Frank (2015) What's the news in 'new intergovernmentalism'? A critique of Bickerton, Hodson and Puetter, *Journal of Common Market Studies*, Vol. 53, Number 4, pp. 723-730.
- Schimmelfennig, Frank (2018) European integration (theory) in times of crisis: a comparison of the euro and Shengen crises, in: *Journal of European Public Policy*, Vol 25, Issue 7, pp. 969-989.
- Schmalz-Bruns, Rainer (2002) Demokratisierung der Europäischen Union – oder: Europäisierung der Demokratie? Überlegungen zur Zukunft der Demokratie jenseits des Nationalstaates, in: Lutz-Bachmann M., Bohman J. (eds.), *Weltstaat oder Staatenwelt? Für und wider die Idee einer Weltrepublik*, Frankfurt-am-Main: Suhrkamp.

- Schmidt, Vivien A. (2000) Democracy and Discourse in an Integrating Europe and a globalising world, *European Law Journal*, Vol. 6, No. 3, pp. 277-300.
- Schmidt, Vivien A. (2002) *The futures of European Capitalism*, Oxford: Oxford University Press.
- Schmidt, Vivien A. (2003) European integration as regional variant of globalization: the challenges to national democracy, in: Katzenhosen I., Lamping W. (eds.), *Demokratien in Europa: der Einfluss der europäischen Integration auf Institutionenwandel und neue Konturen des demokratischen Verfassungsstaates*, Opladen: Leske + Budrich.
- Schmidt Vivien A. (2006) *Democracy in Europe: the EU and national polities*, Oxford: Oxford University Press.
- Schmidt, Vivien A. (2013) Democracy and Legitimacy in the European Union Revisited: input, output and 'throughput', *Political Studies*, Vol. 61, pp. 2-22.
- Schmidt, Vivien A.; Radaelli, Claudio (2004) Policy Change and Discourse in Europe: conceptual and methodological issues, *West European Politics*, Vol. 27, No. 2, pp. 183-210.
- Schmitter, Philippe (2000) *How to democratize the European Union... and why bother?* Lanham: Rowman & Littlefield Publishers.
- Schrift, Alan D. (ed.) (2010) *The history of continental philosophy: poststructuralism and critical theory's second generation*, Vol. 6, Durham: Acumen.
- Schwartz, Herman (2001) Round up the usual suspects! Globalization, domestic politics, and welfare state change, in: Pierson P. (ed.), *The new politics of the welfare state*, Oxford: Oxford University Press.
- Schwarzer, Daniela (2013) Integration und Desintegration in der Eurozone, in: Eppler A., Scheller H. (eds.) *Zur Konzeptionalisierung europäischer Desintegration: Zug- und Gegenkräfte im europäischen Integrationsprozess*, 1. Auflage, Baden-Baden: Nomos.
- Schwarzer, Daniela (2015) *Die Europäische Währungsunion: Geschichte, Krise und Reform*, 1. Auflage, Verlag W. Kohlhammer.
- Selby, Jan (2007) Engaging Foucault: discourse, liberal governance and the limits of Foucauldian IR, *International Relations*, Vol. 21, Issue 3, pp. 324-345.
- Siklos, Pierre; Bohl, Martin (2005) The Bundesbank's communications strategy and policy conflicts with the federal government, *Southern Economic Journal*, Vol. 72, No. 2, pp. 395-409.
- Smismans, Stijn (2008) New Modes of Governance and the participatory myth, *West European Politics*, Vol. 31, Issue 5, pp. 874-895.
- Sondergaard, Dorte Marie (2002) Poststructuralist approaches to empirical analysis, *International Journal of Qualitative Studies in Education*, Vol. 51, Issue 2, pp. 187-204.
- Sorensen, Georg (1999) Sovereignty: Change and Continuity in a fundamental institution, *Political Studies*, Vol. 47, Issue 3, pp. 590-604.

Sotiropoulos, Dimitri A. (1995) The remains of authoritarianism: bureaucracy and civil society in post-authoritarian Greece, *Cahiers d'études sur la Méditerranée orientale et le monde turco-iranien*, 20, <http://cemoti.revues.org/1674>

Sotiropoulos, Dimitri A. (2015) The Greek Parliament and the European Union after the Lisbon Treaty: a missed opportunity to empower parliament, in: Neuhold C., Rozenberg O., Smith J., Heffler C. (Eds.), *The Palgrave handbook of national parliaments and the European Union*, Palgrave Macmillan, pp. 335-347.

Stammen, Theo; Riescher, Gisela; Hoffmann, Wilhelm (Hrsg.) (2007), *Hauptwerke der politischen Theorie*, 2. Auflage, Stuttgart: Kröner.

Steiner, Jürg (2012) *The foundations of deliberative democracy: empirical research and normative implications*, Cambridge: Cambridge University Press.

Steinhilber, Jochen (2006) Liberaler Intergouvernementalismus, in: Bieling H.-J., Lerch M. (Hrsg.), *Theorien der europäischen Integration*, 2. Auflage. Wiesbaden: VS Verlag für Sozialwissenschaften.

Stone Sweet, Alec; Sandholz Wayne (1997) European integration and supranational governance, *Journal of European Public Policy*, Vol. 4, Issue 3, pp. 297-317.

Stone Sweet, Alec (2005) The constitutionalization of the EU: Steps towards a supranational polity, in: Fabbrini S. (ed.), *Democracy and Federalism in the European Union and the United States: exploring post-national governance*, London/New York: Routledge.

Streeck, Wolfgang (1999) *Korporatismus in Deutschland: zwischen Nationalstaat und Europäischer Integration*, Frankfurt/ New York: Campus Verlag.

Streinz, Rudolf (2009) Das Grundgesetz: Europafreundlichkeit und Europafestigkeit: zum Lissabon-Urteil des Bundesverfassungsgerichts, in: *Zeitschrift für Politik*, 56 Jg., Heft 4, pp. 467-492.

Sunstein, Cass R. (2003) The law of Group Polarization, in: Fishkin J.S., Laslett P. (eds.), *Debating Deliberative Democracy*, Cornwall: Blackwell Publishing Ltd.

Symeonidou, Haris (1997) Social protection in contemporary Greece, in: Rhodes M. (ed.), *Southern European welfare states: between crisis and reform*, London/ Portland: Frank Cass & Co.

Taylor, Paul (1983) *The limits of European integration*, Beckenham: Croom Helm Ltd.

Terzi, Andrea (2007) International Financial Instability in a World of Currencies Hierarchy, in: L.-P. Rochon, S. Rossi (eds.) *Monetary and Exchange Rate Systems: a global view of financial crises*, Massachusetts: Edward Elgar Publishing.

Thaa, Winfried (2007) Informalisierung und Kognitivierung politischer Repräsentation in deliberativen Demokratietheorien, in: Thaa W. (Hrsg.), *Inklusion durch Repräsentation*, 1. Auflage, Baden-Baden: Nomos.

Thiel, Thorsten (2012) *Republikanismus und die Europäische Union: eine Neubestimmung des Diskurses um die Legitimität europäischen Regierens*, 1. Auflage, Baden-Baden: Nomos Verlagsgesellschaft.

Trantidis, Aris (2016) *Clientelism and Economic Policy: Greece and the crisis*, New York: Routledge.

Treib, Oliver; Bähr, Holger; Falkner, Gerda (2007) *Modes of governance: towards a conceptual clarification*, *Journal of European Public Policy* Vol. 14, Issue 1, pp. 1-20.

Tsakalotos, Euclid (2010) *Greek economic crisis*, Paper for IIPPE conference 'Beyond the crisis', Rethymno.

Tsoukalis, Loukas (1981) *The European Community and its Mediterranean Enlargement*, London.

Tsoukalis, Loukas; Rhodes, Martin (1997) *Economic integration and the nation-state*, in: Rhodes M., Heywood P., Wright V. (eds.) *Developments in West European Politics*, Basingstoke/London: Macmillan Press.

Tsoukalis, Loukas (2003) *Monetary Policy and the Euro*, in: Hayward J., Menon A. (eds.), *Governing Europe*, Oxford: Oxford University Press.

Tully, James (2008) *Modern constitutional democracy and imperialism*, *Osgoode Hall Law Journal*, 46, p. 461.

Tully, James (2013) *On the Global Multiplicity of Public Spheres: the democratic transformation of the public sphere?* In: Emden C.J., Midgley D. (eds.), *Beyond Habermas: democracy, knowledge, and the public sphere*, NY/Oxford: Berghahn Books.

Underhill, Geoffrey (2002) *Global integration, EMU, and monetary governance in the European Union: the political economy of the 'stability culture'*, in: Dyson K. (ed.), *European States and the Euro: Europeanization, variation and convergence*, Oxford: Oxford University Press.

Urban, Hans Jürgen (2011) *Stabilitätsgewinn durch Demokratieverzicht? Europas Weg in den Autoritarismus*, *Bätter für deutsche und international Politik*, 7, pp. 77-88.

Urbinati, Nadia; Warren, Mark (2008) *The concept of representation in contemporary democratic theory*, *Annual Review of Political Science*, Vol. 11, pp. 387-412.

Vail, Mark (2015) *Europe's middle child: France's statist liberalism and the Conflicted Politics of the Euro*, in: Matthias Matthijs, Mark Blyth (eds.), *The future of the Euro*, Oxford University Press: New York.

Van Dijk, Teun (2008) *Discourse and power*, Basingstoke: Palgrave Macmillan.

Van Esch, Femke (2014) *Exploring the Keynesian-Ordoliberal divide. Flexibility and convergence in French and German leaders' economic ideas during the euro-crisis*, *Journal of Contemporary European Studies*, Vol. 22, Issue 3, pp. 288-302.

Veil, Winfried (2007) *Volkssouveränität und Völkersouveränität in der EU: mit direkter Demokratie gegen das Demokratiedefizit?* 1. Auflage, Baden-Baden: Nomos Verlagsgesellschaft.

Venieris, Dimitrios (1997) *Dimensions of social policy in Greece*, in: Rhodes M. (ed.), *Southern European welfare states: between crisis and reform*, London/ Portland: Frank Cass & Co.

Venieris, Dimitris (2013) *Crisis social policy and social justice: the case for Greece*. *Hellenic Observatory Papers on Greece and Southeast Europe*, 69, available at LSE Research Online: <http://eprints.lse.ac.uk/50258/>

Verdun, Amy (2000) *European responses to globalization and financial market integration: perceptions of EMU in Britain, France and Germany*, Basingstoke/ London: Macmillan Press LTD.

Verdun, Amy; Christiansen, Thomas (2000) *Policies, institutions, and the Euro: dilemmas of legitimacy*, in: Crouch C. (ed.), *After the Euro: shaping institutions for governance in the wake of EMU*, New York: Oxford University Press.

Vitale, Denise (2006) *Between deliberative and participatory democracy: a contribution on Habermas*, in: *Philosophy and Social Criticism*, Vol. 32, Issue 6, pp. 739-766.

Walsh, James (2001) *National preferences and international institutions: evidence from European monetary integration*, *International Studies Quarterly*, Vol. 45, Issue 1, pp. 59-80.

Wendler, Frank (2005) *Soziales Europa und demokratische Legitimität*, 1. Auflage, Baden-Baden: Nomos.

Wessels, Wolfgang; Linsemann, Ingo (2002) *EMU's impact on national institutions: fusion towards a 'gouvernance économique' or fragmentation?* In: Dyson K. (ed.), *European States and the Euro: Europeanization, variation and convergence*, Oxford: Oxford University Press.

Wessels, Wolfgang; Schäfer, Maria (2016) *Europäischer Rat*, in: Weidenfeld W., Wessels W. (Hrsg.), *Europa von A bis Z: Taschenbuch der europäischen Integration*, 14. Auflage, Baden-Baden: Nomos.

Werner, Wouter; De Wilde, Jaap (2001) *The endurance of sovereignty*, *European Journal of International Relations*, Vol. 7, Issue 3, pp. 283-313.

Wiesner, Claudia (2016) *Demokratie und Gewaltenteilung in der Euro-Finanzhilfenpolitik*, in: *Zeitschrift für Politikwissenschaft*, 26, pp. 231-247.

Wimmel, Andreas (2014) *Die Mitwirkung des Bundestages in der Euro-Krise: eine machtpolitische Analyse*, in: *Zeitschrift für Staats- und Europawissenschaften*, Vol. 12, No. 4, pp. 484-506.



Wind, Marlene (2001) *Sovereignty and European Integration: Towards a Post-Hobbesian Order*, Basingstoke.

Wittgenstein, Ludwig (2001) *Philosophische Untersuchungen (Kritisch-genetische Edition)*, Schulte J. (Hrg.), Frankfurt-am-Main: Suhrkamp.

Wolf, Klaus Dieter (2005) *Wie legitim kann grenzüberschreitendes Regieren sein?* In: Hitzel-Cassagnes T., Schmidt Th. (Hrsg.), *Demokratie in Europa und europäische Demokratien: Festschrift für Heidrun Abromeit*, 1. Auflage, Wiesbaden: VS Verlag für Sozialwissenschaften.

Woll, Artur (1991) *Die Unabhängigkeit der Europäischen Zentralbank: Dogma oder Notwendigkeit?* In: Weber M. (Hrg.), *Europa auf dem Weg zur Währungsunion*, Darmstadt: Wissenschaftliche Buschgesellschaft.

Yannopoulos, George (1979) *The effects of Full Membership on the Manufacturing Industries*, in: Tsoukalis L. (ed.), *Greece and the European Community*, Westmead.

Young, Brigitte (2014) *German ordoliberalism as agenda setter for the euro crisis: myth trumps reality*, *Journal of Contemporary European Studies*, Vol. 22, No. 3, pp. 276-287.

Young, Iris M. (2003) *Activist Challenges to Deliberative Democracy*, in: Fishkin J.S., Laslett P. (eds.), *Debating Deliberative Democracy*, Cornwall: Blackwell Publishing Ltd.

Zambarloukou, Stella (2006) *Collective bargaining and social pacts: Greece in comparative perspective*, *European Journal of Industrial Relations*, Vol. 12, Issue 2, pp. 211-229.

Zartaloudis, Thanos (2010) *Giorgio Agamben: power, law and the uses of criticism*, New York: Routledge.

Zielonka, Jan (2006) *Europe as Empire: the nature of the enlarged European Union*, Oxford: Oxford University Press.

Zohlnhöfer, Reimut (2009) *Globalisierung der Wirtschaft und finanzpolitische Anpassungsreaktionen in Westeuropa*, 1. Auflage, Baden-Baden: Nomos.

## **Primary sources**

*In English and German:*

Barroso, Jose Manuel Durao, *Speech during a joint press conference with Commissioners Olli Rehn and Laszlo Andor*, 12.01.2011, available at: [http://europa.eu/rapid/press-release\\_SPEECH-11-7\\_en.htm](http://europa.eu/rapid/press-release_SPEECH-11-7_en.htm)

Bundesvereinigung der Deutschen Arbeitgeberverbände (BDA), *Kompakt: Europäisches Semester*, Oktober 2014.

Deutsche Bundesbank, Stellungnahme des Zentralbankrates zur Konvergenzlage in der Europäischen Union im Hinblick auf die dritte Stufe der Wirtschafts- und Währungsunion, Monatsbericht, April 1998, unter folgendem Link abrufbar:

[http://www.bundesbank.de/Redaktion/DE/Downloads/Veroeffentlichungen/Monatsberichts-aufsaezte/1998/1998\\_04\\_konvergenzlage.pdf?\\_\\_blob=publicationFile](http://www.bundesbank.de/Redaktion/DE/Downloads/Veroeffentlichungen/Monatsberichts-aufsaezte/1998/1998_04_konvergenzlage.pdf?__blob=publicationFile)

Deutscher Gewerkschaftsbund (DGB), Pressemitteilung 103 vom 27.05.1997, unter folgendem Link abrufbar: [http://www.dgb.de/presse/++co++39a145d8-154f-11df-4ca9-00093d10fae2?search\\_text=&start\\_date=1997-05-01&end\\_date=1997-05-31](http://www.dgb.de/presse/++co++39a145d8-154f-11df-4ca9-00093d10fae2?search_text=&start_date=1997-05-01&end_date=1997-05-31)

Deutscher Gewerkschaftsbund (DGB), Informationen zur Wirtschafts- und Strukturpolitik: Währungsunion ja – aber auf die Ausgestaltung kommt es an! Gewerkschaftliche Thesen zur europäischen Wirtschafts- und Währungsunion, 3/1997 – 27.06.1997, 2. Auflage.

Deutscher Gewerkschaftsbund (DGB), Pressemitteilung 065 vom 25.03.1998, unter folgendem Link abrufbar: <http://www.dgb.de/presse/++co++758b359e-154e-11df-4ca9-00093d10fae2>

Deutscher Gewerkschaftsbund (DGB), Pressemitteilung 092 vom 7.05.1998, unter folgendem Link abrufbar: [http://www.dgb.de/presse/++co++ee9e6a22-154f-11df-4ca9-00093d10fae2?tab=Pressemeldung&display\\_page=2&start\\_date=1998-05-01&end\\_date=1998-05-31](http://www.dgb.de/presse/++co++ee9e6a22-154f-11df-4ca9-00093d10fae2?tab=Pressemeldung&display_page=2&start_date=1998-05-01&end_date=1998-05-31)

Deutscher Gewerkschaftsbund (DGB), Pressemitteilung 117 vom 7.06.1999, unter folgendem Link abrufbar: [http://www.dgb.de/presse/++co++75093f8c-1551-11df-4ca9-00093d10fae2?tab=Pressemeldung&display\\_page=2&start\\_date=1999-06-01&end\\_date=1999-06-30](http://www.dgb.de/presse/++co++75093f8c-1551-11df-4ca9-00093d10fae2?tab=Pressemeldung&display_page=2&start_date=1999-06-01&end_date=1999-06-30)

Deutscher Gewerkschaftsbund (DGB), Pressemitteilung 043 vom 25.03.2010, unter folgendem Link abrufbar: <http://www.dgb.de/presse/++co++c772125c-3802-11df-73fb-00188b4dc422>

Deutscher Gewerkschaftsbund (DGB), Ein Aufruf der Gewerkschaften „Griechenland nach der Wahl – keine Gefahr, sondern eine Chance für Europa“, 2.02.2015, unter folgendem Link abrufbar: <http://www.europa-neu-begruenden.de/griechenland-nach-der-wahl-keine-gefahr-sondern-eine-chance-fuer-europa/>

Deutscher Gewerkschaftsbund (DGB), Pressemitteilung 062, 16.07.2015, unter folgendem Link abrufbar: <http://www.dgb.de/presse/++co++c35c68f0-2b97-11e5-9362-52540023ef1a>

Draghi, Mario, Speech at the Global Investment Conference in London, 26.07.2012, available at: <https://www.ecb.europa.eu/press/key/date/2012/html/sp120726.en.html>

European Commission, Economic and Financial Affairs: Press release on EU economic situation, 12.01.2011, available at:

[http://ec.europa.eu/economy\\_finance/articles/eu\\_economic\\_situation/2011-01-annual-growth-survey\\_en.htm](http://ec.europa.eu/economy_finance/articles/eu_economic_situation/2011-01-annual-growth-survey_en.htm)

Gabriel, Sigmar; Steinmeier, Franz-Walter, Gemeinsames Schreiben “Europa ist in der Krise – Wir brauchen ein starkes Signal für die Zukunft der europäischen Einheit, 18.07.2011, unter folgendem Link abrufbar:

[http://www.spdfraktion.de/system/files/documents/europa\\_ist\\_in\\_der\\_krise\\_-\\_brief\\_von\\_gabriel\\_und\\_steinmeier.pdf](http://www.spdfraktion.de/system/files/documents/europa_ist_in_der_krise_-_brief_von_gabriel_und_steinmeier.pdf)

Garganas, Nicholas, Speech at the “Athens Summit 1999”; Integrating Greece into the Euro Area: the challenges ahead, 18.09.1999, available at:

[http://forms.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item\\_ID=243&List\\_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b](http://forms.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item_ID=243&List_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b)

Hundt, Dieter, Rede “Auswirkungen des Euro auf das soziale Europa”, Kreditwirtschaftliche Vortragsreihe Karlsruhe, 10.02.1999.

Hundt, Dieter, Interview mit Stefan Ernst und Oliver Santen für “Bild.de”, 12.12.2010, unter folgendem Link abrufbar: <http://www.bild.de/politik/wirtschaft/rettet-den-euro-interview-15032414.bild.html>

Hundt, Dieter, Gastbeitrag „EZB betreibt ‚Gefahrenabwehr‘; Arbeitgeberpräsident Hundt verteidigt die EZB und fordert eine gemeinsame Haushalts- und Finanzpolitik und eine Stabilitätsunion in Europa“ für “Die Welt”, 13.08.2012, unter folgendem Link abrufbar: [https://www.welt.de/print/die\\_welt/wirtschaft/article108585146/EZB-betreibt-Gefahrenabwehr.html](https://www.welt.de/print/die_welt/wirtschaft/article108585146/EZB-betreibt-Gefahrenabwehr.html)

Kohl, Helmut, Erklärung der Bundesregierung – Vorschau auf die Sondertagung des Europäischen Rates über Beschäftigung in Luxemburg am 20./21. November 1997, Bulletin der Bundesregierung 91-97 vom 17.11.1997, unter folgendem Link abrufbar: [https://www.bundesregierung.de/Content/DE/Bulletin/1990-1999/1997/91-97\\_Kohl\\_1.html](https://www.bundesregierung.de/Content/DE/Bulletin/1990-1999/1997/91-97_Kohl_1.html)

Merkel, Angela, Regierungserklärung zu den Maßnahmen zum Erhalt der Stabilität der Währungsunion und zum bevorstehenden Sondergipfel der Euro-Länder am 7. Mai 2010 in Brüssel, Bulletin der Bundesregierung Nr. 48-1 vom 5.05.2010, unter folgendem Link abrufbar:

<https://www.bundesregierung.de/ContentArchiv/DE/Archiv17/Regierungserklaerung/2010/2010-05-05-merkel-erklaerung-griechenland.html>

Merkel, Angela, Regierungserklärung zu den Maßnahmen zur Stabilisierung des Euro, Bulletin der Bundesregierung Nr. 55-1 vom 19.05.2010, unter folgendem Link abrufbar:

<https://www.bundesregierung.de/ContentArchiv/DE/Archiv17/Regierungserklaerung/2010/2010-05-19-merkel-erklaerung-eu-stabilisierungsmassnahmen.html>

Merkel, Angela, Interview mit Kristina Dunz für “dpa”: “Merkel: Der Euro – weit mehr als Währung”, 9.11.2011, unter folgendem Link abrufbar:

<https://www.bundesregierung.de/ContentArchiv/DE/Archiv17/Interview/2011/11/2011-11-09-merkel-dpa.html>

Merkel, Angela, Rede beim “Führungstreffen Wirtschaft 2011” der Süddeutschen Zeitung, Bulletin der Bundesregierung Nr. 122-2 vom 18.11.2011, unter folgendem Link abrufbar: [https://www.bundesregierung.de/Content/DE/Bulletin/2010-2015/2011/11/Anlagen/122-2-bk.pdf?\\_\\_blob=publicationFile&v=3](https://www.bundesregierung.de/Content/DE/Bulletin/2010-2015/2011/11/Anlagen/122-2-bk.pdf?__blob=publicationFile&v=3)

Merkel, Angela, Regierungserklärung zu den Finanzhilfen für Griechenland und zum Europäischen Rat am 1./2. März 2012 in Brüssel, Bulletin der Bundesregierung Nr. 18-1 vom 27.02.2012, unter folgendem Link abrufbar:

<https://www.bundesregierung.de/ContentArchiv/DE/Archiv17/Regierungserklaerung/2012/2012-02-27-merkel.html>

Merkel, Angela; Gabriel, Sigmar, Pressekonferenz zum Thema „Unterrichtung der Partei- und Fraktionsvorsitzenden des Deutschen Bundestages zum Thema Griechenland“, 29.06.2015, unter folgendem Link abrufbar:

<https://www.bundesregierung.de/Content/DE/Mitschrift/Pressekonferenzen/2015/06/2015-06-29-merkel-gabriel.html>

Merkel, Angela, Pressekonferenz zum außerordentlichen Treffen der Staats- und Regierungschefs der Eurozone, 7.07.2015, unter folgendem Link abrufbar:

<https://www.bundesregierung.de/Content/DE/Mitschrift/Pressekonferenzen/2015/07/2015-07-08-pk-sonder-er.html>

Merkel, Angela, Mitteilung vor dem Euro-Gipfel, 7.07.2015\*, unter folgendem Link abrufbar: <http://de.euronews.com/2015/07/07/eu-gipfeltreffen-bleibt-athen-in-der-eurozone>

Papadimos, Lucas, Speech at the 9<sup>th</sup> Frankfurt European Banking Congress, 19.11.1999, available at:

[http://www.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item\\_ID=242&List\\_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b](http://www.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item_ID=242&List_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b)

Papadimos, Lucas, Introductory statement to the Committee on Economic and Monetary Affairs of the European Parliament, 22.04.2002, available at:

[http://www.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item\\_ID=238&List\\_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b](http://www.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item_ID=238&List_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b)

Papadimos, Lucas, Interview with Michelle Caruso-Cabrera for CNBC, 15.01.2012, available at: <https://www.cnbc.com/id/46009374>

Papandreou, George A., Speech at the Cabinet's meeting, Prime Minister's Press Office, 2.05.2010, available at: <http://papandreou.gr/en/speech-at-the-cabinets-meeting/>

Papandreou, George A., Speech at the 75<sup>th</sup> Thessaloniki International Fair, 11.09.2010, available at: <http://papandreou.gr/en/yes-it-is-possible/>

Papandreou, George A., Speech at the Economist Conference, 17.05.2011, available at: <http://papandreou.gr/en/speech-at-the-economist-conference/>

Papandreou, George A., Statement by the press office of the Prime Minister, 27.05.2011.

Papandreou, George A., Speech at the PASOK parliamentary group meeting on "Briefing on the decisions of the Summit of the Eurozone", 31.10.2011, available at: <http://papandreou.gr/en/the-citizen-has-the-first-role-and-the-first-floor/>

Papandreou, George A., Speech at the PASOK parliamentary group meeting, 3.11.2011, available at: <http://papandreou.gr/en/meeting-of-the-parliamentary-group-of-movement/>

Plenarprotokoll 13/175 vom 15.05.1997, Deutscher Bundestag, 175. Sitzung, 13. Wahlperiode (Seiten 15700-15728), unter folgendem Link abrufbar: <http://dip21.bundestag.de/dip21/btp/13/13175.pdf>

Plenarprotokoll 13/210 vom 11.12.1997, Deutscher Bundestag, 210. Sitzung, 13. Wahlperiode (Seiten 19109-19140), unter folgendem Link abrufbar: <http://dip21.bundestag.de/dip21/btp/13/13210.pdf>

Plenarprotokoll 13/227 vom 2.04.1998, Deutscher Bundestag, 227. Sitzung, 13. Wahlperiode (Seiten 20759-20811), unter folgendem Link abrufbar: <http://dip21.bundestag.de/dip21/btp/13/13227.pdf>

Plenarprotokoll 14/3 vom 10.11.1998, Deutscher Bundestag, 3. Sitzung, 14. Wahlperiode (Seiten 47-67), unter folgendem Link abrufbar: <http://dip21.bundestag.de/dip21/btp/14/14003.pdf>

Plenarprotokoll 14/14 vom 10.12.1998, Deutscher Bundestag, 14. Sitzung, 14. Wahlperiode (Seiten 819-824), unter folgendem Link abrufbar: <http://dip21.bundestag.de/dip21/btp/14/14014.pdf>

Plenarprotokoll 17/34 vom 25.03.2010, Deutscher Bundestag, 34. Sitzung, 17. Wahlperiode (Seiten 3094-3119), unter folgendem Link abrufbar: <http://dip21.bundestag.de/dip21/btp/17/17034.pdf>

Plenarprotokoll 17/99 vom 24.03.2011, Deutscher Bundestag, 99. Sitzung, 17. Wahlperiode (Seiten 11251 – 11277), unter folgendem Link abrufbar: <http://dip21.bundestag.de/dip21/btp/17/17099.pdf>

Plenarprotokoll 17/124 vom 8.09.2011, Deutscher Bundestag, 124. Sitzung, 17. Wahlperiode (Seiten 14551-14578), unter folgendem Link abrufbar: <http://dip21.bundestag.de/dip21/btp/17/17124.pdf>

Plenarprotokoll 17/179 vom 11.05.2012, Deutscher Bundestag, 179. Sitzung, 17. Wahlperiode (Seiten 21327-21351), unter folgendem Link abrufbar:  
<http://dip21.bundestag.de/dip21/btp/17/17179.pdf>

Plenarprotokoll 18/76 vom 18.12.2014, Deutscher Bundestag, 76. Sitzung, 18. Wahlperiode (Seiten 7219-7233), unter folgendem Link abrufbar:  
<http://dip21.bundestag.de/dip21/btp/18/18076.pdf>

Plenarprotokoll 18/89 vom 27.02.2015, Deutscher Bundestag, 89. Sitzung, 18. Wahlperiode (Seiten 8407-8434), unter folgendem Link abrufbar:  
<http://dip21.bundestag.de/dip21/btp/18/18089.pdf>

Plenarprotokoll 18/117 vom 17.07.2015, Deutscher Bundestag, 117. Sitzung, 18. Wahlperiode (Seiten 11352 – 11387), unter folgendem Link abrufbar:  
<http://dip21.bundestag.de/dip21/btp/18/18117.pdf>

Provopoulos, George, Speech on “The state and prospects of the Greek economy and economic policy challenges” at the Annual Meeting of Shareholders of the Bank of Greece, 27.04.2010, available at:  
[http://www.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item\\_ID=255&List\\_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b](http://www.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item_ID=255&List_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b)

Provopoulos, George, Speech at the 78<sup>th</sup> Annual Meeting of Shareholders, 18.04.2011, available at:  
[http://forms.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item\\_ID=262&List\\_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b](http://forms.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item_ID=262&List_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b)

Provopoulos, George, Welcome remarks at the conference “The crisis in the Euro area”, The Greek economy and banking system: recent developments and the way forward, 23.05.2013, available at:  
[http://forms.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item\\_ID=278&List\\_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b](http://forms.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item_ID=278&List_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b)

Schäuble, Wolfgang, Interview mit Michael Bröcker für “Rheinische Post”: Reformen müssen konsequent umgesetzt werden, 14.09.2011, unter folgendem Link abrufbar:  
<https://www.bundesregierung.de/ContentArchiv/DE/Archiv17/Interview/2011/09/2011-09-14-schaeuble-rp.html>

Tietmeyer, Hans, Rede beim Symposium “Mit der Sozialen Marktwirtschaft in das 21. Jahrhundert”, Bulletin der Bundesregierung 13-97 vom 12.02.1997, unter folgendem Link abrufbar: [https://www.bundesregierung.de/Content/DE/Bulletin/1990-1999/1997/13-97\\_Tietmeyer.html](https://www.bundesregierung.de/Content/DE/Bulletin/1990-1999/1997/13-97_Tietmeyer.html)

Trichet, Jean-Claude, Interview mit Uwe Jean Heuser und Mark Schieritz für “Die Zeit”, Nr. 08/2011 vom 17.02.2011, unter folgendem Link abrufbar:  
<http://www.zeit.de/2011/08/EZB-Trichet>

Trittin, Jürgen, Gastbeitrag „Was Europa ins Gleichgewicht bringt“, WirtschaftsWoche, Nr. 48, 29.11.2010 (Seite 27).

Van Rompuy, Herman (in close collaboration with: Barroso, Jose Manuel; Juncker, Jean-Claude; Draghi, Mario), Report “Towards a genuine economic and monetary union”, 5.12.2012

[https://www.consilium.europa.eu/uedocs/cms\\_Data/docs/pressdata/en/ec/134069.pdf](https://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ec/134069.pdf)

Waigel, Theodor, Rede im Bundestag, Bulletin der Bundesregierung 27-98 vom 29. April 1998, unter folgendem Link abrufbar:

[https://www.bundesregierung.de/Content/DE/Bulletin/1990-1999/1998/27-98\\_Waigel.html](https://www.bundesregierung.de/Content/DE/Bulletin/1990-1999/1998/27-98_Waigel.html)

Waigel, Theodor, Rede anlässlich der Feierstunde zum 50. Geburtstag der Deutschen Mark, Bulletin der Bundesregierung 47-98 vom 30. Juni 1998, unter folgendem Link abrufbar: [https://www.bundesregierung.de/Content/DE/Bulletin/1990-1999/1998/47-98\\_Waigel.html](https://www.bundesregierung.de/Content/DE/Bulletin/1990-1999/1998/47-98_Waigel.html)

Weidmann, Jens, Rede beim Industrieabend des Unternehmerverbands für den Kreis Gütersloh e.V. „Eurokrise und kein Ende?“, 23.09.2015, unter folgendem Link abrufbar:

[https://www.bundesbank.de/Redaktion/DE/Reden/2015/2015\\_09\\_23\\_weidmann.html](https://www.bundesbank.de/Redaktion/DE/Reden/2015/2015_09_23_weidmann.html)

Westerwelle, Guido, Rede zur Reform der Wirtschafts- und Währungsunion, Bulletin der Bundesregierung Nr. 23-1 vom 7.03.2012, unter folgendem Link abrufbar:

<https://www.bundesregierung.de/Content/DE/Bulletin/2010-2015/2012/03/23-1-bmaa-bt.html>

#### *In Greek:*

Γενική Συνομοσπονδία Εργατών Ελλάδας (ΓΣΕΕ), Δελτία Τύπου, Κλιμακώνονται οι Νεοφιλελεύθερες Επιθέσεις κατά των Εργαζομένων, 15.04.2010:

<http://www.gsee.gr/?p=3205>

Γενική Συνομοσπονδία Εργατών Ελλάδας (ΓΣΕΕ), Δελτία Τύπου, Καθολική, αγωνιστική συμμετοχή στη Γενική Απεργία της ΓΣΕΕ, 5.05.2010:

<http://www.gsee.gr/?p=3216>

Γενική Συνομοσπονδία Εργατών Ελλάδας (ΓΣΕΕ), Δελτία Τύπου, Σύνοδος Κορυφής Ε. Ένωσης 7.02.2011: <http://www.gsee.gr/?p=1842>

Δασκαλόπουλου, Δημήτρη, Δελτία Τύπου, Ομιλία του Προέδρου του ΣΕΒ, 18.04.2011: <http://www.sev.org.gr/grafeio-tyπου/deltia-tyπου/omilia-tou-proedrou-tou-sev-k->

dimitri-daskalopoulou-sti-geniki-synelefsi-ton-metochon-tis-trapezis-tis-ellados-18-4-2011/

Δασκαλόπουλου, Δημήτρη, Δελτία Τύπου, Η ομιλία του Προέδρου του ΣΕΒ κ. Δημήτρη Δασκαλόπουλου στην Τριμερή Κοινωνική Σύνοδο Κορυφής στις Βρυξέλλες, 14.03.2013: <http://www.sev.org.gr/grafeio-tyrou/deltia-tyrou/i-omilia-tou-proedrou-tou-sev-k-dimitri-daskalopoulou-stin-trimeri-koinoniki-synodo-koryfis-stis-vryxelles-14-3-2013/>

Δελτίο ΣΕΒ, Ιδιαίτερα δυσμενείς οι επιπτώσεις εάν δεν ενταχθεί η Ελλάδα στην ΟΝΕ, Τεύχος 578, Ιούνιος — Ιούλιος 1998, (Σελίδες 1-2).

Δελτίο ΣΕΒ, Ευρώ και Επιχειρήσεις, Τεύχος 580, Οκτώβριος 1998, (Σελίδες 1).

Δελτίο ΣΕΒ, Εφικτή η εξασφάλιση προϋποθέσεων για την ένταξη της χώρας μας στην ΟΝΕ, Απρίλιος-Μάιος, 1999, (Σελίδες 7-9).

Κουζή, Γιάννη, ΟΝΕ και εργασιακές σχέσεις, ΕΝΗΜΕΡΩΣΗ (Ινστιτούτο Εργασίας Γ.Σ.Ε.Ε.), Τεύχος 37, Ιουνιος 1998 (Σελίδες 16-20): <http://www.inegsee.gr/ekdosi/enimerosi-teuxos-37/>

Πρακτικά Βουλής, Βουλή των Ελλήνων, Σύνοδος Γ', Συνεδρίαση ΜΘ', 17.12.1998 (Σελ. 2623-2661): <http://www.hellenicparliament.gr/UserFiles/a08fc2dd-61a9-4a83-b09a-09f4c564609d/ES1217A.pdf>

Πρακτικά Βουλής, Βουλή των Ελλήνων, Σύνοδος Γ', Συνεδρίαση ΜΖ', 16.12.1998 (Σελ. 2526-2527): <http://www.hellenicparliament.gr/UserFiles/a08fc2dd-61a9-4a83-b09a-09f4c564609d/ES1216.pdf>

Πρακτικά Βουλής, Βουλή των Ελλήνων, Σύνοδος Γ', Συνεδρίαση ΝΓ', 21.12.1998 (Σελ. 3030-3036): <http://www.hellenicparliament.gr/UserFiles/a08fc2dd-61a9-4a83-b09a-09f4c564609d/ES1221.pdf>

Πρακτικά Βουλής, Βουλή των Ελλήνων, Σύνοδος Β', Συνεδρίαση ΡΞΣΤ', 30.06.2011 (Σελ. 12980-12994): <http://www.hellenicparliament.gr/UserFiles/a08fc2dd-61a9-4a83-b09a-09f4c564609d/es20110629-30.pdf>

Πρακτικά Βουλής, Βουλή των Ελλήνων, Σύνοδος Γ', Συνεδρίαση ΜΣΤ', 6.12.2011 (Σελ. 2458-2461): <http://www.hellenicparliament.gr/UserFiles/a08fc2dd-61a9-4a83-b09a-09f4c564609d/es20111206.pdf>

Πρακτικά Βουλής, Βουλή των Ελλήνων, Σύνοδος Α', Συνεδρίαση ΞΕ', 7.11.2012 (Σελ. 4131-4143): <http://www.hellenicparliament.gr/UserFiles/a08fc2dd-61a9-4a83-b09a-09f4c564609d/es20121107.pdf>

Πρακτικά Βουλής, Βουλή των Ελλήνων, Σύνοδος Β', Συνεδρίαση ΡΙΖ', 31.03.2014 (Σελ. 9575-9577): <http://www.hellenicparliament.gr/UserFiles/a08fc2dd-61a9-4a83-b09a-09f4c564609d/es20140331.pdf>



Σαμαρά, Αντώνη, Γραφείο Τύπου Πρωθυπουργού, Ομιλία του Πρωθυπουργού, Αντώνη Σαμαρά, στο ετήσιο Συνέδριο του Economist, 17.04.2013:  
<https://primeminister.gr/2013/04/17/10168>

Σαμαρά, Αντώνη, Γραφείο Τύπου Πρωθυπουργού, Ομιλία του Πρωθυπουργού Αντώνη Σαμαρά στο Συνέδριο του Economist «The Big Rethink of Europe, the Big Turning Point for Greece», 12.07.2014: <https://primeminister.gr/2014/07/12/12889>

ΣΕΒ Σύγχρονες Επιχειρήσεις, Σύγχρονη Ελλάδα, Δελτία Τύπου, Θέσεις και προτάσεις του ΣΕΒ στον κοινωνικό διάλογο, 25.01.2012: <http://www.sev.org.gr/grafeio-tyrou/deltia-tyrou/theseis-kai-protaseis-tou-sev-ston-koioniko-dialogo-25-1-2012/>

ΣΕΒ Σύγχρονες Επιχειρήσεις, Σύγχρονη Ελλάδα, Δελτία Τύπου, Ανακοίνωση ΣΕΒ σχετικά με την επανακεφαλαιοποίηση των τραπεζών, 4.04.2012:  
<http://www.sev.org.gr/grafeio-tyrou/deltia-tyrou/anakoynosi-sev-schetika-me-tin-epanakefalaiopiisi-ton-trapezon-4-4-2012/>

ΣΕΒ Σύγχρονες Επιχειρήσεις, Σύγχρονη Ελλάδα, Δελτία Τύπου, Μήνυμα ΣΕΒ προς Ευρωπαίους ηγέτες: «Εμπρακτη αλληλεγγύη στην ελληνική οικονομία με περισσότερη ευρωπαϊκή οικονομική και πολιτική ολοκλήρωση», 15.01.2015:  
<http://www.sev.org.gr/grafeio-tyrou/deltia-tyrou/minyma-sev-pros-evropaious-igetes-emprakti-allilengyi-stin-elliniki-oikonomia-me-perissoteri-evropaiki-oikonomiki-kai-politiki-oloklirosi-15-1-2015/>

Σημίτης, Κωνσταντίνος, Ομιλία στην εκδήλωση για την αίτηση ένταξης της Ελλάδας στο Ευρώ, που πραγματοποιήθηκε στο Ζάππειο Μέγαρο, 9.03.2000:  
[http://www.costassimitis.gr/2000/03/03/zappeio\\_eu/](http://www.costassimitis.gr/2000/03/03/zappeio_eu/)

Τσίπρα, Αλέξη, Συνέντευξη τύπου του προέδρου της κο του ΣΥΡΙΖΑ, Αλέξη Τσίπρα στο πλαίσιο της 78ης Δ.Ε.Θ., 15.09.2013:  
<http://www.syriza.gr/article/id/51742/SYNENTHEYKSH-TYPOY-TOY-PROEDROY-THS-KO-TOY-SYRIZA-ALEKSH-TSIPRA-STO-PLAISIO-THS-78hs-D.E.Th..html#.WdZkm0yB3q0>

Τσίπρα, Αλέξη, Γραφείο Τύπου Πρωθυπουργού, Ομιλία του πρωθυπουργού Α. Τσίπρα, στις προγραμματικές δηλώσεις της Κυβέρνησης, 8.02.2015:  
<https://primeminister.gr/2015/02/08/13322>

### **Other sources/Statistical data**

Statistics on Germany's GDP since 1950:  
<http://de.statista.com/statistik/daten/studie/4878/umfrage/bruttoinlandsprodukt-von-deutschland-seit-dem-jahr-1950/>

Statistics on monetary rates (ECB):  
<http://www.ecb.europa.eu/stats/monetary/rates/html/index.en.html>

Macroeconomic statistics (Bundesbank):

[http://www.bundesbank.de/Navigation/DE/Statistiken/Zeitreihen\\_Datenbanken/Makrooekonomische\\_Zeitreihen/its\\_list\\_node.html?listId=www\\_s11b\\_mb02](http://www.bundesbank.de/Navigation/DE/Statistiken/Zeitreihen_Datenbanken/Makrooekonomische_Zeitreihen/its_list_node.html?listId=www_s11b_mb02)

### **Appendix 1: Other primary sources (not mentioned or quoted in the text of the thesis)**

*In English and German:*

Bundesvereinigung der Deutschen Arbeitgeberverbände (BDA), Geschäftsbericht 1997 (Seiten 34-35).

Bundesvereinigung der Deutschen Arbeitgeberverbände (BDA), Geschäftsbericht 1998 (Seite 12).

Bundesvereinigung der Deutschen Arbeitgeberverbände (BDA), Presse-Information Nr. 001/2009, 1.01.2009, unter folgendem Link abrufbar:

[https://www.arbeitgeber.de/www/arbeitgeber.nsf/res/PI00109.pdf/\\$file/PI00109.pdf](https://www.arbeitgeber.de/www/arbeitgeber.nsf/res/PI00109.pdf/$file/PI00109.pdf)

Bundesvereinigung der Deutschen Arbeitgeberverbände (BDA), Gemeinsamer Appell der Familienunternehmer in Europa: “Den Euro jetzt stärken”, 16.09.2013, unter folgendem Link abrufbar: [https://arbeitgeber.de/www/%5Carbeitgeber.nsf/res/PI04813-Gem.pdf/\\$file/PI04813-Gem.pdf](https://arbeitgeber.de/www/%5Carbeitgeber.nsf/res/PI04813-Gem.pdf/$file/PI04813-Gem.pdf)

Bundesvereinigung der Deutschen Arbeitgeberverbände (BDA), Kompakt: Staatsfinanzen, Mai 2015.

Daskalopoulos, Dimitris, Interview mit Markus Bernath für “Financial Times Deutschland”, 31.07.2012 (Seite 12).

Deutscher Gewerkschaftsbund (DGB), Pressemitteilung 002 vom 07.01.1997, unter folgendem Link abrufbar: [http://www.dgb.de/presse/++co++798cc342-154e-11df-4ca9-00093d10fae2?tab=Pressemeldung&display\\_page=3&start\\_date=1997-01-01&end\\_date=1997-01-31](http://www.dgb.de/presse/++co++798cc342-154e-11df-4ca9-00093d10fae2?tab=Pressemeldung&display_page=3&start_date=1997-01-01&end_date=1997-01-31)

Deutscher Gewerkschaftsbund (DGB), Pressemitteilung 067 vom 18.03.1997, unter folgendem Link abrufbar: [http://www.dgb.de/presse/++co++ee2fa520-154e-11df-4ca9-00093d10fae2?tab=Pressemeldung&search\\_text=&start\\_date=1997-03-01&end\\_date=1997-03-31](http://www.dgb.de/presse/++co++ee2fa520-154e-11df-4ca9-00093d10fae2?tab=Pressemeldung&search_text=&start_date=1997-03-01&end_date=1997-03-31)

Deutscher Gewerkschaftsbund (DGB), Pressemitteilung 192 vom 16.09.1997, unter folgendem Link abrufbar: [http://www.dgb.de/presse/++co++b8b9c62e-154f-11df-4ca9-00093d10fae2?tab=Pressemeldung&display\\_page=2&start\\_date=1997-09-01&end\\_date=1997-09-30](http://www.dgb.de/presse/++co++b8b9c62e-154f-11df-4ca9-00093d10fae2?tab=Pressemeldung&display_page=2&start_date=1997-09-01&end_date=1997-09-30)

Deutscher Gewerkschaftsbund (DGB), Pressemitteilung 238 vom 06.11.1997, unter folgendem Link abrufbar: [http://www.dgb.de/presse/++co++e9eb7e2c-154d-11df-4ca9-00093d10fae2?tab=Pressemeldung&display\\_page=3&start\\_date=1997-11-01&end\\_date=1997-11-30](http://www.dgb.de/presse/++co++e9eb7e2c-154d-11df-4ca9-00093d10fae2?tab=Pressemeldung&display_page=3&start_date=1997-11-01&end_date=1997-11-30)

Deutscher Gewerkschaftsbund (DGB), Pressemitteilung 255 vom 24.11.1997, unter folgendem Link abrufbar: [http://www.dgb.de/presse/++co++ffd73b36-154d-11df-4ca9-00093d10fae2?tab=Pressemeldung&search\\_text=&start\\_date=1997-11-01&end\\_date=1997-11-30](http://www.dgb.de/presse/++co++ffd73b36-154d-11df-4ca9-00093d10fae2?tab=Pressemeldung&search_text=&start_date=1997-11-01&end_date=1997-11-30)

Deutscher Gewerkschaftsbund (DGB), Pressemitteilung 032 vom 10.02.1998, unter folgendem Link abrufbar: [http://www.dgb.de/presse/++co++4db203d6-154e-11df-4ca9-00093d10fae2?tab=Pressemeldung&display\\_page=2&start\\_date=1998-02-01&end\\_date=1998-02-28](http://www.dgb.de/presse/++co++4db203d6-154e-11df-4ca9-00093d10fae2?tab=Pressemeldung&display_page=2&start_date=1998-02-01&end_date=1998-02-28)

Deutscher Gewerkschaftsbund (DGB), Pressemitteilung 066 vom 27.03.1998, unter folgendem Link abrufbar: [http://www.dgb.de/presse/++co++76fc8c66-154e-11df-4ca9-00093d10fae2?tab=Pressemeldung&search\\_text=&start\\_date=1998-03-01&end\\_date=1998-03-31](http://www.dgb.de/presse/++co++76fc8c66-154e-11df-4ca9-00093d10fae2?tab=Pressemeldung&search_text=&start_date=1998-03-01&end_date=1998-03-31)

Deutscher Gewerkschaftsbund (DGB), Pressemitteilung 092 vom 07.05.1998, unter folgendem Link abrufbar: [http://www.dgb.de/presse/++co++ee9e6a22-154f-11df-4ca9-00093d10fae2?tab=Pressemeldung&display\\_page=2&start\\_date=1998-05-01&end\\_date=1998-05-31](http://www.dgb.de/presse/++co++ee9e6a22-154f-11df-4ca9-00093d10fae2?tab=Pressemeldung&display_page=2&start_date=1998-05-01&end_date=1998-05-31)

Deutscher Gewerkschaftsbund (DGB), Pressemitteilung 390 vom 23.12.2001, unter folgendem Link abrufbar: [http://www.dgb.de/presse/++co++7242258e-1556-11df-4ca9-00093d10fae2?search\\_text=&start\\_date=2001-12-01&end\\_date=2001-12-31](http://www.dgb.de/presse/++co++7242258e-1556-11df-4ca9-00093d10fae2?search_text=&start_date=2001-12-01&end_date=2001-12-31)

Deutscher Gewerkschaftsbund (DGB), Pressemitteilung 043 vom 25.03.2010, unter folgendem Link abrufbar: [http://www.dgb.de/presse/++co++c772125c-3802-11df-73fb-00188b4dc422?search\\_text=&start\\_date=2010-03-01&end\\_date=2010-03-31](http://www.dgb.de/presse/++co++c772125c-3802-11df-73fb-00188b4dc422?search_text=&start_date=2010-03-01&end_date=2010-03-31)

Deutscher Gewerkschaftsbund (DGB), Position – A Marshall Plan for Europe, December 2012, unter folgendem Link abrufbar: <http://www.dgb.de/themen/++co++985b632e-407e-11e2-b652-00188b4dc422>

Deutscher Gewerkschaftsbund (DGB), Pressemitteilung 060 vom 6.07.2015, unter folgendem Link abrufbar: [http://www.dgb.de/presse/++co++1aef1658-23d7-11e5-bf77-52540023ef1a?search\\_text=&start\\_date=2015-07-01&end\\_date=2015-07-31](http://www.dgb.de/presse/++co++1aef1658-23d7-11e5-bf77-52540023ef1a?search_text=&start_date=2015-07-01&end_date=2015-07-31)

Deutscher Gewerkschaftsbund (DGB), Offener Brief: jetzt muss sich zeigen, was die EU ausmacht, 7.07.2015, unter folgendem Link abrufbar: <http://www.dgb.de/themen/++co++e8ef7ac8-24a6-11e5-90f9-52540023ef1a>

Europa fehlt gemeinsames Verständnis; Zentralbankchef Jochimsen mahnt politische Union an, Artikel in der “Boersen-Zeitung”, Nr. 17, 27.01.1999 (Seite 26).

Fischer, Joschka, Rede vor dem Europäischen Parlament in Straßburg, Bulletin der Bundesregierung 02-99 vom 14.01.1999, unter folgendem Link abrufbar: [https://www.bundesregierung.de/Content/DE/Bulletin/1990-1999/1999/02-99\\_Fischer.html](https://www.bundesregierung.de/Content/DE/Bulletin/1990-1999/1999/02-99_Fischer.html)

Gabriel, Sigmar, Interview mit Jürgen Zurheide für “Deutschlandfunk”, 27.06.2015, unter folgendem Link abrufbar: [http://www.deutschlandfunk.de/sigmar-gabriel-zur-griechenland-krise-eine-volksabstimmung.694.de.html?dram%3Aarticle\\_id=323724](http://www.deutschlandfunk.de/sigmar-gabriel-zur-griechenland-krise-eine-volksabstimmung.694.de.html?dram%3Aarticle_id=323724)

Garganas, Nicholas, Speech “The Challenges for Greek monetary policy on the eve of Euro-zone entry”, 15.02.2000, available at: [http://www.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item\\_ID=241&List\\_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b](http://www.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item_ID=241&List_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b)

Garganas, Nicholas, Speech at the Hellenic American Bankers Association, 22.04.2002, available at:

[http://www.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item\\_ID=237&List\\_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b](http://www.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item_ID=237&List_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b)

Garganas, Nicholas, Speech at the Economist Conference, 22.10.2002, available at:  
[http://www.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item\\_ID=236&List\\_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b](http://www.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item_ID=236&List_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b)

Hoffmann, Reiner, Interview mit David Böcking und Yasmin El-Sharif für “Spiegel Online”, 8.01.2015, unter folgendem Link abrufbar:

<http://www.spiegel.de/wirtschaft/soziales/griechenland-dgb-chef-hoffmann-kritisiert-einmischung-in-wahl-a-1011635.html>

Hoffmann, Reiner, Interview mit Dirk Müller für “Deutschlandfunk”, 3.02.2015, unter folgendem Link abrufbar: [http://www.deutschlandfunk.de/griechenland-es-sind-viele-fehler-gemacht-worden.694.de.html?dram:article\\_id=310503](http://www.deutschlandfunk.de/griechenland-es-sind-viele-fehler-gemacht-worden.694.de.html?dram:article_id=310503)

Hoffmann, Reiner, Interview mit Henning Meyer für “Gegenblende”, 5.02.2015, unter folgendem Link abrufbar: <http://gegenblende.dgb.de/++co++e06f3c54-ad31-11e4-970c-52540066f352>

Hoffmann, Reiner, Interview mit Alfons Frese für “Der Tagesspiegel”, 30.06.2015, unter folgendem Link abrufbar: <http://www.tagesspiegel.de/wirtschaft/interview-zum-drohenden-grexit-ein-austritt-waere-schlecht-fuer-uns/11986824.html>

Hundt, Dieter, Interview mit Alexander Jungkunz für “Nürnberger Nachrichten”, 3.04.1998 (Seite 4).

Hundt, Dieter, Interview mit Götz Schleser für “WirtschaftsWoche”, 10.09.2011, unter folgendem Link abrufbar: <http://www.wiwo.de/politik/konjunktur/dieter-hundt-arbeitgeber-praesident-gegen-euro-austritt-griechenlands/5212362.html>

Keitel, Hans-Peter, Interview mit Roland Nelles und Severin Weiland für “Spiegel Online”, 10.09.2012, unter folgendem Link abrufbar:

<http://www.spiegel.de/politik/deutschland/bdi-chef-keitel-will-griechenland-zur-sonderwirtschaftszone-machen-a-854150.html>

Kinkel, Klaus, Rede in Frankfurt am Main “Europäische Zentralbank in Frankfurt – der Währungsstabilität verpflichtet”, Bulletin der Bundesregierung 66-98 vom 06.10.1998, unter folgendem Link abrufbar:

[https://www.bundesregierung.de/Content/DE/Bulletin/1990-1999/1998/66-98\\_Kinkel.html](https://www.bundesregierung.de/Content/DE/Bulletin/1990-1999/1998/66-98_Kinkel.html)

Kohl, Helmut, Rede in Bad Kissingen “Europäische Wirtschafts- und Währungsunion – Fundament für ein stabiles Haus Europa”, Bulletin der Bundesregierung 09-98 vom 03.02.1998, unter folgendem Link abrufbar:

[https://www.bundesregierung.de/Content/DE/Bulletin/1990-1999/1998/09-98\\_Kohl\\_1.html](https://www.bundesregierung.de/Content/DE/Bulletin/1990-1999/1998/09-98_Kohl_1.html)

Kohl, Helmut, Rede in der 724. Sitzung des Bundesrates, Bulletin der Bundesregierung 27-98 vom 29.04.1998, unter folgendem Link abrufbar:

[https://www.bundesregierung.de/Content/DE/Bulletin/1990-1999/1998/27-98\\_Kohl.html](https://www.bundesregierung.de/Content/DE/Bulletin/1990-1999/1998/27-98_Kohl.html)

Kohl, Helmut, Rede in Bremen “Wohneigentum – wichtiger Baustein für persönliche Zukunftssicherung”, Bulletin der Bundesregierung 52-98 vom 16.07.1998, unter folgendem Link abrufbar:

[https://www.bundesregierung.de/Content/DE/Bulletin/1990-1999/1998/52-98\\_Kohl\\_2.html](https://www.bundesregierung.de/Content/DE/Bulletin/1990-1999/1998/52-98_Kohl_2.html)

Kramer, Ingo, Gastkommentar in “Die Welt”: Europa muss seine Regeln einhalten, 11.08.2015, unter folgendem Link abrufbar:

[https://www.welt.de/print/die\\_welt/debatte/article145058809/Europa-muss-seine-Regeln-einhalten.html](https://www.welt.de/print/die_welt/debatte/article145058809/Europa-muss-seine-Regeln-einhalten.html)

Merkel, Angela, Rede beim BDI-Tag der deutschen Industrie, Bulletin der Bundesregierung Nr. 97-3 vom 27.09.2011, unter folgendem Link abrufbar:

<https://www.bundesregierung.de/Content/DE/Bulletin/2010-2015/2011/09/97-3-bk-bdi.html>

Merkel, Angela, Regierungserklärung zum Europäischen Rat und zum Eurogipfel, Bulletin der Bundesregierung Nr. 111-1 vom 26.10.2011, unter folgendem Link abrufbar:

<https://www.bundesregierung.de/Content/DE/Bulletin/2010-2015/2011/10/111-1-bk-bt.html>

Merkel, Angela, Rede beim Führungstreffen Wirtschaft 2010 der “Süddeutschen Zeitung”, Bulletin der Bundesregierung Nr. 125-2 vom 27.11.2010, unter folgendem Link abrufbar:

<https://www.bundesregierung.de/Content/DE/Bulletin/2010-2015/2010/11/125-2-bk-sz.html>

Merkel, Angela, Rede vor dem Europäischen Parlament, Bulletin der Bundesregierung Nr. 102-3 vom 7.11.2012, unter folgendem Link abrufbar:

<https://www.bundesregierung.de/Content/DE/Bulletin/2010-2015/2012/11/102-3-bk-europa.html>

Merkel, Angela, Rede beim 24. Deutschen Sparkassentag in Dresden, Bulletin der Bundesregierung Nr. 48-3 vom 27.04.2013, unter folgendem Link abrufbar:

<https://www.bundesregierung.de/Content/DE/Bulletin/2010-2015/2013/04/48-3-bk-sparkassentag.html>

Merkel, Angela, Regierungserklärung, Bulletin der Bundesregierung Nr. 08-1 vom 29.01.2014, unter folgendem Link abrufbar:

<https://www.bundesregierung.de/Content/DE/Bulletin/2010-2015/2014/01/08-1-bk-regerkl-bt.html>

Merkel, Angela, Pressekonferenz zum Sondertreffen der Staats- und Regierungschefs der Länder der Eurozone, 13.07.2015, unter folgendem Link abrufbar:

<https://www.bundesregierung.de/Content/DE/Mitschrift/Pressekonferenzen/2015/07/2015-07-13-pk-merkel-sondertreffen.html>

Naß, Matthias, Es geht nicht mehr um Krieg und Frieden; Eine Entdeckungsreise in Berlin: was die deutsche Politik jetzt von Europa erwartet, “Die Zeit”, Ausg. 40, 29.09.2011 (Seite 4).

Papadimos, Lucas, Speech at the Euro Information Conference, 17.10.2001, available at:

[http://www.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item\\_ID=239&List\\_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b](http://www.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item_ID=239&List_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b)

Papadimos, Lucas, Statement of government policy to the Hellenic Parliament, 14.11.2011, available at: <http://www.hellenicparliament.gr/UserFiles/a08fc2dd-61a9-4a83-b09a-09f4c564609d/es20111114.pdf> (p. 1495-1498)

Papadimos, Lucas, Second speech in the Parliamentary discussion on the government policy statement, 16.11.2011, available at: <http://www.hellenicparliament.gr/UserFiles/a08fc2dd-61a9-4a83-b09a-09f4c564609d/es20111116.pdf> (p. 1666-1667)

Papadimos, Lucas, Speech on the state budget for the fiscal year 2012, 6.12.2011, available at: <http://www.hellenicparliament.gr/UserFiles/a08fc2dd-61a9-4a83-b09a-09f4c564609d/es20111206.pdf> (p. 2458-2461)

Papandreou, George A., Speech at the Cabinet's meeting, Prime Minister's Press Office, 1.11.2011, available at: <http://papandreou.gr/en/speech-at-the-cabinet-meeting-2/>

Papandreou, George A., Interview für "Der Spiegel", 8/2010 (Seiten 90-93).

Plenarprotokoll 13/167 vom 21.03.1997, Deutscher Bundestag, 167. Sitzung, 13. Wahlperiode (Seiten 15146-15163), unter folgendem Link abrufbar: <http://dip21.bundestag.de/dip21/btp/13/13167.pdf>

Plenarprotokoll 17/39 vom 5.05.2010, Deutscher Bundestag, 39. Sitzung, 17. Wahlperiode (Seiten 3721-3746), unter folgendem Link abrufbar: <http://dip21.bundestag.de/dip21/btp/17/17039.pdf>

Plenarprotokoll 17/115 vom 10.06.2011, Deutscher Bundestag, 115. Sitzung, 17. Wahlperiode (Seiten 13207-13231), unter folgendem Link abrufbar: <http://dip21.bundestag.de/dip21/btp/17/17115.pdf>

Plenarprotokoll 17/158 vom 09.02.2012, Deutscher Bundestag, 158. Sitzung, 17. Wahlperiode (Seiten 18879-18897), unter folgendem Link abrufbar: <http://dip21.bundestag.de/dip21/btp/17/17158.pdf>

Plenarprotokoll 17/160 vom 27.02.2012, Deutscher Bundestag, 160. Sitzung, 17. Wahlperiode (Seiten 19077-19105), unter folgendem Link abrufbar: <http://dip21.bundestag.de/dip21/btp/17/17160.pdf>

Plenarprotokoll 17/188 vom 29.06.2012, Deutscher Bundestag, 188. Sitzung, 17. Wahlperiode (Seiten 22697-22734), unter folgendem Link abrufbar: <http://dip21.bundestag.de/dip21/btp/17/17188.pdf>

Provopoulos, George, Speech on "The Greek economic crisis and the Euro", 21.06.2010, available at: [http://forms.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item\\_ID=257&List\\_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b](http://forms.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item_ID=257&List_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b)

Provopoulos, George, Speech at the 79<sup>th</sup> Annual Meeting of Shareholders, 24.04.2012, available at: [http://forms.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item\\_ID=269&List\\_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b](http://forms.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item_ID=269&List_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b)

Provopoulos, George, Speech at the 80<sup>th</sup> Annual Meeting of Shareholders, 25.02.2013, available at:

[http://forms.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item\\_ID=274&List\\_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b](http://forms.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item_ID=274&List_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b)

Provopoulos, George, Presentation at the 7<sup>th</sup> Hellenic Albanian Business Forum, 13.11.2013, available at:

[http://forms.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item\\_ID=282&List\\_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b](http://forms.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item_ID=282&List_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b)

Provopoulos, George, Speech on the publication “The Chronicle of the great crisis – The Bank of Greece 2008-2013”, 11.06.2014, available at:

[http://forms.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item\\_ID=298&List\\_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b](http://forms.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item_ID=298&List_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b)

Provopoulos, George, Speech “The Greek Financial Crisis: from Grexit to Grecovery”, 07.02.2014, available at:

[http://forms.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item\\_ID=287&List\\_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b](http://forms.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item_ID=287&List_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b)

Provopoulos, George, Speech at the 81<sup>st</sup> Annual Meeting of Shareholders, 27.02.2014, available at:

[http://forms.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item\\_ID=292&List\\_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b](http://forms.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item_ID=292&List_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b)

Schlesinger, Helmut, Interview “Die D-Mark ist die Leitwährung” für “Der Spiegel”, 8/1992 (Seiten 102-104).

Schröder, Gerhard, Regierungserklärung vor dem Deutschen Bundestag, Bulletin der Bundesregierung 74-98 vom 11.11.1998, unter folgendem Link abrufbar:

[https://www.bundesregierung.de/Content/DE/Bulletin/1990-1999/1998/74-98\\_Schröder\\_2.html](https://www.bundesregierung.de/Content/DE/Bulletin/1990-1999/1998/74-98_Schröder_2.html)

Schröder, Gerhard, Rede in Frankfurt am Main, Bulletin der Bundesregierung 52-99 vom 08.09.1999, unter folgendem Link abrufbar:

[https://www.bundesregierung.de/Content/DE/Bulletin/1990-1999/1999/52-99\\_Schröder.html](https://www.bundesregierung.de/Content/DE/Bulletin/1990-1999/1999/52-99_Schröder.html)

Schröder, Gerhard, Interview für “Berliner Morgenpost Online”, 4.12.2011, unter folgendem Link abrufbar:

<https://www.morgenpost.de/politik/inland/article105347787/Gerhard-Schroeders-Plan-fuer-die-Rettung-Europas.html>

Schäuble, Wolfgang, Interview mit Marc Brost und Matthias Geis für “Die Zeit”: Den europäischen Weg entschieden weitergehen, 31.03.2010, unter folgendem Link abrufbar:

<https://www.bundesregierung.de/ContentArchiv/DE/Archiv17/Interview/2010/03/2010-03-31-schaeuble-zeit.html>

Schäuble, Wolfgang, Rede in der Debatte zum Hilfsantrag Portugals vor dem Deutschen Bundestag, Bulletin der Bundesregierung Nr. 48-1 vom 12.05.2011, unter folgendem Link abrufbar:

<https://www.bundesregierung.de/Content/DE/Bulletin/2010-2015/2011/05/48-1-bmfbt.html>

Schäuble, Wolfgang, Regierungserklärung zur Lage in Griechenland, Bulletin der Bundesregierung Nr. 60-1 vom 10.06.2011, unter folgendem Link abrufbar:

<https://www.bundesregierung.de/Content/DE/Bulletin/2010-2015/2011/06/60-1-bmf-regerkl-bt.html>

Schäuble, Wolfgang, Interview mit Ralph Bollmann für die “Frankfurter Allgemeine Sonntagszeitung”: Was gut für Griechenland ist, ist gut für den Euro, 31.07.2011, unter folgendem Link abrufbar:

<https://www.bundesregierung.de/ContentArchiv/DE/Archiv17/Interview/2011/07/2011-07-31-schaeuble-fasz.html>

Schäuble, Wolfgang, Rede in der Debatte zur Schaffung einer Stabilitätsunion in Europa vor dem Deutschen Bundestag, Bulletin der Bundesregierung Nr. 65-3 vom 29.06.2012, unter folgendem Link abrufbar:

<https://www.bundesregierung.de/Content/DE/Bulletin/2010-2015/2012/06/65-3-bmf-bt.html>

Schäuble, Wolfgang, Interview mit Theo Geers im “Deutschlandfunk”: Schuldenbremse bereits 2013 verwirklichen, 28.10.2012, unter folgendem Link abrufbar:

<https://www.bundesregierung.de/ContentArchiv/DE/Archiv17/Interview/2012/10/2012-10-28-schaeuble-deutschlandfunk.html>

Schulz, Martin, Interview mit Florian Eder für “Die Welt”, 26.01.2013, Ausg. 22 (Seite 10).

Stark, Jürgen, Interview mit H. Einecke und M. Zydra für “Süddeutsche Zeitung”, 7.12.2010, unter folgendem Link abrufbar: <http://www.sueddeutsche.de/geld/euro-krise-juergen-stark-im-gespraech-sind-wir-hier-auf-dem-basar-1.1032766>

Stournaras, Yannis, Speech at Eurobank Investor Forum, 7.07.2014, available at: [http://forms.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item\\_ID=301&List\\_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b](http://forms.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item_ID=301&List_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b)

Stournaras, Yannis, Speech at the 82<sup>nd</sup> Annual Meeting of Shareholders, 26.02.2015, available at: [http://forms.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item\\_ID=313&List\\_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b](http://forms.bankofgreece.gr/Pages/en/Bank/News/Speeches/DispItem.aspx?Item_ID=313&List_ID=b2e9402e-db05-4166-9f09-e1b26a1c6f1b)

Tietmeyer, Hans, Rede in Frankfurt am Main, Bulletin der Bundesregierung 52-99 vom 08.09.1999, unter folgendem Link abrufbar:

[https://www.bundesregierung.de/Content/DE/Bulletin/1990-1999/1999/52-99\\_Tietmeyer.html](https://www.bundesregierung.de/Content/DE/Bulletin/1990-1999/1999/52-99_Tietmeyer.html)

Trichet, Jean-Claude, Interview mit Gabor Steingart, Thomas Hanke und Dirk Heilmann für “Handelsblatt”, 6.07.2012:

[https://archiv.handelsblatt.com/document/HB\\_\\_63B6BB40-D2A4-45B8-A331-2EAA03424122%7CHBPM\\_\\_63B6BB40-D2A4-45B8-A331-2EAA03424122/hitlist/190?all=](https://archiv.handelsblatt.com/document/HB__63B6BB40-D2A4-45B8-A331-2EAA03424122%7CHBPM__63B6BB40-D2A4-45B8-A331-2EAA03424122/hitlist/190?all=)

Waigel, Theodor, Rede in Ludwigsburg “Deutschland auf dem Weg zum Euro”, Bulletin der Bundesregierung 29-97 vom 17. April 1997, unter folgendem Link abrufbar:

[https://www.bundesregierung.de/Content/DE/Bulletin/1990-1999/1997/29-97\\_Waigel.html](https://www.bundesregierung.de/Content/DE/Bulletin/1990-1999/1997/29-97_Waigel.html)

Waigel, Theodor, Rede in Eisenach “Die Wirtschafts- und Währungsunion als Baustein der europäischen Integration”, Bulletin der Bundesregierung 24-98 vom 03. April 1998,



unter folgendem Link abrufbar:

[https://www.bundesregierung.de/Content/DE/Bulletin/1990-1999/1998/24-98\\_Waigel.html](https://www.bundesregierung.de/Content/DE/Bulletin/1990-1999/1998/24-98_Waigel.html)

Weber, Axel, Interview für “Der Spiegel”, 07/2011 (Seiten 19-21).

Weidmann, Jens, Interview für “Der Spiegel”, 35/2012 (Seiten 75-77).

Westerwelle, Guido, Rede zum Währungsunion-Finanzstabilitätsgesetz, Bulletin der Bundesregierung Nr. 50-2 vom 7.05.2010, unter folgendem Link abrufbar:

<https://www.bundesregierung.de/Content/DE/Bulletin/2010-2015/2010/05/50-2-bmaa-bt.html>

Westerwelle, Guido, Namensbeitrag “Europa ist in der Bewährung” in “Frankfurter Allgemeine Zeitung”, 14.12.2010, unter folgendem Link abrufbar:

<https://www.bundesregierung.de/ContentArchiv/DE/Archiv17/Namensbeitrag/2010/12/2010-12-14-westerwelle-faz.html>

#### *In Greek:*

Γενική Συνομοσπονδία Εργατών Ελλάδας (ΓΣΕΕ), Δελτία Τύπου, Επιστολή του Προέδρου της ΓΣΕΕ και του ΙΝΕ/ΓΣΕΕ στον Πρωθυπουργό: Δημοσιονομική κρίση & οικονομία, 27.01.2010: <http://www.gsee.gr/?p=3168>

Γενική Συνομοσπονδία Εργατών Ελλάδας (ΓΣΕΕ), Δελτία Τύπου, Κοινωνικά άδικα και μονομερή τα μέτρα, 3.03.2010: <http://www.gsee.gr/?p=3185>

Γενική Συνομοσπονδία Εργατών Ελλάδας (ΓΣΕΕ), Δελτία Τύπου, Γενική Απεργία Διαμαρτυρίας – Καταγγελίας – Ανατροπής, 11.03.2010: <http://www.gsee.gr/?p=3195>

Γενική Συνομοσπονδία Εργατών Ελλάδας (ΓΣΕΕ), Δελτία Τύπου, Εμμονή σε αδιέξοδες και χρεοκοπημένες πολιτικές, 12.09.2011: <http://www.gsee.gr/?p=3454>

Γενική Συνομοσπονδία Εργατών Ελλάδας (ΓΣΕΕ), Δελτία Τύπου, Συνάντηση ΓΣΕΕ με τον Πρωθυπουργό κ. Λουκά Παπαδήμο, 4.01.2012: <http://www.gsee.gr/?p=1999>

Γενική Συνομοσπονδία Εργατών Ελλάδας (ΓΣΕΕ), Δελτία Τύπου, Δήλωση Γενικού Γραμματέα ΓΣΕΕ Νικόλαου Κιουτσούκη, 6.11.2013: <http://www.gsee.gr/?p=661>

Η πορεία της Ευρωπαϊκής ολοκλήρωσης: Από τη συνθήκη της Ρώμης στην αναθεώρηση του Μάαστριχτ// ΕΝΗΜΕΡΩΣΗ (Ινστιτούτο Εργασίας Γ.Σ.Ε.Ε.), Τεύχος 4, Ιουνιος 1995 (Σελίδες 1-3): <http://www.inegsee.gr/wp-content/uploads/2014/02/files/Iounios-1995.pdf>

Κοινωνικός διάλογος: Ανάπτυξη ανταγωνιστικότητα απασχόληση// ΕΝΗΜΕΡΩΣΗ (Ινστιτούτο Εργασίας Γ.Σ.Ε.Ε.), Τεύχος 31, Δεκέμβριος 1997 (Σελίδες 5-11): [http://www.inegsee.gr/wp-content/uploads/2014/02/files/31-DECEMBRIOS\\_1997.pdf](http://www.inegsee.gr/wp-content/uploads/2014/02/files/31-DECEMBRIOS_1997.pdf)

Πρακτικά Βουλής, Βουλή των Ελλήνων, Σύνοδος Β', Συνεδρίαση ΡΚΔ', 6.05.1998 (Σελ. 7897-7901): [http://www.hellenicparliament.gr/UserFiles/a08fc2dd-61a9-4a83-b09a-09f4c564609d/06\\_05\\_98.PDF](http://www.hellenicparliament.gr/UserFiles/a08fc2dd-61a9-4a83-b09a-09f4c564609d/06_05_98.PDF)

Πρακτικά Βουλής, Βουλή των Ελλήνων, Σύνοδος Α', Συνεδρίαση ΠΙ', 30.04.2010 (Σελ. 6470): [http://www.hellenicparliament.gr/UserFiles/a08fc2dd-61a9-4a83-b09a-09f4c564609d/es20100430\\_1.pdf](http://www.hellenicparliament.gr/UserFiles/a08fc2dd-61a9-4a83-b09a-09f4c564609d/es20100430_1.pdf)

Πρακτικά Βουλής, Βουλή των Ελλήνων, Σύνοδος Α', Συνεδρίαση ΠΙΕ', 6.05.2010 (Σελ. 6734-6736, 6759-6773): <http://www.hellenicparliament.gr/UserFiles/a08fc2dd-61a9-4a83-b09a-09f4c564609d/es20111206.pdf>

Πρακτικά Βουλής, Βουλή των Ελλήνων, Σύνοδος Β', Συνεδρίαση ΡΞΓ', 27.06.2011 (Σελ. 12738-12741): <http://www.hellenicparliament.gr/UserFiles/a08fc2dd-61a9-4a83-b09a-09f4c564609d/es20110627.pdf>

Πρακτικά Βουλής, Βουλή των Ελλήνων, Σύνοδος Α', Συνεδρίαση ΡΟΕ', 28.04.2013 (Σελ. 11364-11366): <http://www.hellenicparliament.gr/UserFiles/a08fc2dd-61a9-4a83-b09a-09f4c564609d/es20130428.pdf>

Σαμαρά, Αντώνη, Μήνυμα του Πρωθυπουργού, Αντώνη Σαμαρά, για τη Νέα Χρονιά, 31.12.2013: <https://primeminister.gr/2013/12/31/12518>

ΣΕΒ Σύγχρονες Επιχειρήσεις, Σύγχρονη Ελλάδα, Δελτία Τύπου, Προσφώνηση του Προέδρου του ΣΕΒ κ. Δημήτρη Δασκαλόπουλου, προς τον Υπουργό Εσωτερικών, Αποκέντρωσης & Ηλεκτρ. Διακυβέρνησης κ. Γιάννη Ραγκούση, στο πλαίσιο της συνεδρίασης του Γ.Σ. του ΣΕΒ, 7.10.2010: <http://www.sev.org.gr/grafeio-typou/deltia-typou/prosfonisi-tou-proedrou-tou-sev-k-dimitri-daskalopoulou-pros-ton-ypourgo-esoterikon-apokentrosis-ilektr-diakyvernisis-k-gianni-ragkousi-sto-plaisio-tis-synedriasis-tou-g-s-tou-sev-7-10-2010/>

ΣΕΒ Σύγχρονες Επιχειρήσεις, Σύγχρονη Ελλάδα, Δελτία Τύπου, Τοποθέτηση Προέδρου ΣΕΒ, κ. Δημήτρη Δασκαλόπουλου στη συνάντηση με τον Πρωθυπουργό για την αντιμετώπιση της ανεργίας, 19.10.2010: <http://www.sev.org.gr/grafeio-typou/deltia-typou/topothetisi-proedrou-sev-k-dimitri-daskalopoulou-sti-synantisi-me-ton-prothypourgo-gia-tin-antimetopisi-tis-anergias-19-10-2010/>

ΣΕΒ Σύγχρονες Επιχειρήσεις, Σύγχρονη Ελλάδα, Δελτία Τύπου, Τοποθέτηση του Προέδρου του ΣΕΒ κ. Δημήτρη Δασκαλόπουλου στη συνάντηση με τους εκπροσώπους των ΜΜΕ, 16.11.2010: <http://www.sev.org.gr/grafeio-typou/deltia-typou/topothetisi-tou-proedrou-tou-sev-k-dimitri-daskalopoulou-sti-synantisi-me-tous-ekprosopous-ton-mme-16-11-2010-grafeia-sev/>

ΣΕΒ Σύγχρονες Επιχειρήσεις, Σύγχρονη Ελλάδα, Δελτία Τύπου, Ομιλία του Προέδρου του ΣΕΒ, κ. Δημήτρη Δασκαλόπουλου στο συνέδριο του Ελληνο-Αμερικανικού Εμπορικού Επιμελητηρίου με θέμα: «Η ώρα της ελληνικής οικονομίας – ανακτώντας την ελληνική αξιοπιστία», 29.11.2010: <http://www.sev.org.gr/grafeio-typou/deltia-typou/omilia-tou-proedrou-tou-sev-k-dimitri-daskalopoulou-sto-synedrio-tou-ellino-amerikanikou-emporikou-epimelitiriu-me-thema-i-ora-tis-ellinikis-oikonomias-8211-anaktontas-tin-elliniki-axiopistia-29-11-2010-xenodocheio-intercontinental/>

ΣΕΒ Σύγχρονες Επιχειρήσεις, Σύγχρονη Ελλάδα, Δελτία Τύπου, Προσφώνηση του Προέδρου του ΣΕΒ προς τον Διοικητή της Τράπεζας της Ελλάδος στο πλαίσιο της συνεδρίασης του Γενικού Συμβουλίου του ΣΕΒ, 8.02.2011: <http://www.sev.org.gr/grafeio-typou/deltia-typou/prosfonisi-tou-proedrou-tou-sev-pros-ton-dioikiti-tis-trapezas-tis-ellados-sto-plaisio-tis-synedriasis-tou-genikou-symvouliou-tou-sev-7-2-2011/>

ΣΕΒ Σύγχρονες Επιχειρήσεις, Σύγχρονη Ελλάδα, Δελτία Τύπου, Δήλωση του Προέδρου του ΣΕΒ κ. Δημήτρη Δασκαλόπουλου, 14.02.2011: <http://www.sev.org.gr/grafeio-tyrou/deltia-tyrou/dilosi-tou-proedrou-tou-sev-k-dimitri-daskalopoulou-14-2-2011/>

ΣΕΒ Σύγχρονες Επιχειρήσεις, Σύγχρονη Ελλάδα, Δελτία Τύπου, Τοποθέτηση του Προέδρου του ΣΕΒ στην Ειδική Συνεδρίαση της Ολομέλειας της Ο.Κ.Ε. με σκοπό την ενημέρωση από τον Υπουργό Οικονομικών για το Μεσοπρόθεσμο Δημοσιονομικό Πλαίσιο 2012 – 2014, 3.03.2011: <http://www.sev.org.gr/grafeio-tyrou/deltia-tyrou/topothetisi-tou-proedrou-tou-sev-stin-eidiki-synedriasi-tis-olomeleias-tis-o-k-e-me-skoro-tin-enimerosi-apo-ton-ypourgo-oikonomikon-gia-to-mesoprothesmo-dimosionomiko-plaisio-2012-8211-2014-3-3-3011/>

ΣΕΒ Σύγχρονες Επιχειρήσεις, Σύγχρονη Ελλάδα, Δελτία Τύπου, Τοποθέτηση του Προέδρου του ΣΕΒ κ. Δημήτρη Δασκαλόπουλου στη συνάντηση με τους εκπροσώπους των ΜΜΕ για τον Οδικό Χάρτη της Νέας Ανάπτυξης, 19.05.2011: <http://www.sev.org.gr/grafeio-tyrou/deltia-tyrou/topothetisi-tou-proedrou-tou-sev-k-dimitri-daskalopoulou-sti-synantisi-me-tous-ekprosopous-ton-mme-gia-ton-odiko-charti-tis-neas-anaptyxis-19-5-2011/>

ΣΕΒ Σύγχρονες Επιχειρήσεις, Σύγχρονη Ελλάδα, Δελτία Τύπου, Δηλώσεις του Προέδρου του ΣΕΒ κ. Δημήτρη Δασκαλόπουλου σχετικά με την πρόταση για Δημοψήφισμα, 26.05.2011: <http://www.sev.org.gr/grafeio-tyrou/deltia-tyrou/diloseis-tou-proedrou-tou-sev-k-dimitri-daskalopoulou-schetika-me-tin-protasi-gia-dimopsifisma-26-5-2011/>

ΣΕΒ Σύγχρονες Επιχειρήσεις, Σύγχρονη Ελλάδα, Δελτία Τύπου, Τοποθέτηση του Προέδρου του ΣΕΒ κ. Δημήτρη Δασκαλόπουλου στη συζήτηση των συνέδρων του ECONOMIST με τίτλο "An open discussion with the IMF and the greek business community", 19.09.2011: <http://www.sev.org.gr/grafeio-tyrou/deltia-tyrou/topothetisi-tou-proedrou-tou-sev-k-dimitri-daskalopoulou-sti-syzytisi-ton-synedron-tou-economist-me-titlo-an-open-discussion-with-the-imf-and-the-greek-business-community-19-9-2011-divani-apollo-palace/>

ΣΕΒ Σύγχρονες Επιχειρήσεις, Σύγχρονη Ελλάδα, Δελτία Τύπου, Τοποθέτηση του Προέδρου του ΣΕΒ κ. Δημήτρη Δασκαλόπουλου στην Εκδήλωση – Συζήτηση της Ο.Κ.Ε. με θέμα: "Από την κρίση στην οικονομική και κοινωνική ανάπτυξη", 20.12.2011: <http://www.sev.org.gr/grafeio-tyrou/deltia-tyrou/topothetisi-tou-proedrou-tou-sev-k-dimitri-daskalopoulou-stin-ekdilosi-8211-syzytisi-tis-o-k-e-me-thema-apo-tin-krisi-stin-oikonomiki-kai-koinoniki-anaptyxi-20-12-2011/>

ΣΕΒ Σύγχρονες Επιχειρήσεις, Σύγχρονη Ελλάδα, Δελτία Τύπου, Παρέμβαση του Προέδρου του ΣΕΒ κ. Δημήτρη Δασκαλόπουλου στην εκδήλωση του ΚΕΠΠ με θέμα: "Ευρώπη: Ενοποίηση ή Διάλυση;", 30.10.2012: <http://www.sev.org.gr/grafeio-tyrou/deltia-tyrou/paremvasi-tou-proedrou-tou-sev-k-dimitri-daskalopoulou-stin-ekdilosi-tou-kepp-me-thema-8220-evropi-enopiisi-i-dialysi-30-10-2012-xenodocheio-megali-vretania/>

Σημίτης, Κωνσταντίνος, Ομιλία στην Ολομέλεια της Βουλής για τον Οικονομικό Προϋπολογισμό του 1999, 21.12.1998: [http://www.costassimitis.gr/1998/12/21/proipologismos\\_1999/](http://www.costassimitis.gr/1998/12/21/proipologismos_1999/)

Σημίτης, Κωνσταντίνος, Παρέμβαση στην πρωινή του Ευρωπαϊκού Συμβουλίου, 19.06.2000: [http://www.costassimitis.gr/2000/06/19/eu\\_council/](http://www.costassimitis.gr/2000/06/19/eu_council/)

Σουμέλη, Ευαγγελία, Παρατηρητήριο εργασιακών σχέσεων: Ετήσια έκθεση 1998 για την Ελλάδα// ΕΝΗΜΕΡΩΣΗ (Ινστιτούτο Εργασίας Γ.Σ.Ε.Ε.), Τεύχος 44, Φεβρουάριος 1999 (Σελ. 27-30): [http://www.inegsee.gr/wp-content/uploads/2014/02/files/44-FEBROYARIOS\\_1999.pdf](http://www.inegsee.gr/wp-content/uploads/2014/02/files/44-FEBROYARIOS_1999.pdf)

Συμπεράσματα, Βασικά, Ημερίδα Γ.Σ.Ε.Ε.: ONE και επιπτώσεις ONE και επιπτώσεις στην αγορά εργασίας// ΕΝΗΜΕΡΩΣΗ (Ινστιτούτο Εργασίας Γ.Σ.Ε.Ε.), Τεύχος 39, Σεπτέμβριος 1998 (Σελ. 19): [http://www.inegsee.gr/wp-content/uploads/2014/02/files/39-SEPTEMBRIOS\\_1998.pdf](http://www.inegsee.gr/wp-content/uploads/2014/02/files/39-SEPTEMBRIOS_1998.pdf)

Τσίπρα, Αλέξη, Ομιλία του προέδρου του ΣΥΡΙΖΑ, Αλέξη Τσίπρα στο συνέδριο του Economist, 9.07.2014: <http://www.syriza.gr/article/id/57149/-OMILIA-TOY-PROEDROY-TOY-SYRIZA-ALEKSH-TSIPRA--STO-SYNEDRIO-TOY-ECONOMIST.html#.WeaeJEyB3-Y>

Τσίπρα, Αλέξη, Ομιλία του πρωθυπουργού Α. Τσίπρα στο Υπουργικό Συμβούλιο, 27.02.2015: <https://primeminister.gr/2015/02/27/13379>

Τσίπρα, Αλέξη, Ομιλία του πρωθυπουργού Α. Τσίπρα στη Βουλή για τις γερμανικές αποζημιώσεις, 10.03.2015: <https://primeminister.gr/2015/03/10/13571>

Τσίπρα, Αλέξη, Ομιλία του πρωθυπουργού Α. Τσίπρα στην εκδήλωση του ΕΚΠΑ με θέμα: «Η Ελληνική Επανάσταση ως ευρωπαϊκό γεγονός», 26.03.2015: <https://primeminister.gr/2015/03/26/13581>

Τσίπρα, Αλέξη, Ομιλία του πρωθυπουργού Α. Τσίπρα στο συνέδριο του Economist, 16.05.2015: <https://primeminister.gr/2015/05/16/13670>

Τσίπρα, Αλέξη, Ομιλία του πρωθυπουργού Αλέξη Τσίπρα στη Βουλή, κατά τη διάρκεια της συζήτησης με αντικείμενο την ενημέρωση του Σώματος για τα ζητήματα που άπτονται της διαπραγμάτευσης, 6.06.2015: <https://primeminister.gr/2015/06/06/13731>

Τσίπρα, Αλέξη, Ομιλία του πρωθυπουργού Α. Τσίπρα κατά τη συζήτηση για τη διεξαγωγή του δημοψηφίσματος της 5ης Ιουλίου, 28.06.2015: <https://primeminister.gr/2015/06/28/13826>

Τσίπρα, Αλέξη, Δήλωση του πρωθυπουργού Α. Τσίπρα για τις τελευταίες εξελίξεις, 28.06.2015: <https://primeminister.gr/2015/06/28/13829>

Τσίπρα, Αλέξη, Δήλωση του πρωθυπουργού Α. Τσίπρα για το αποτέλεσμα του δημοψηφίσματος, 6.07.2015: <https://primeminister.gr/2015/07/06/13855>

Τσίπρα, Αλέξη, Ομιλία του πρωθυπουργού Α. Τσίπρα στην Ολομέλεια του Ευρωκοινοβουλίου, 8.07.2015: <https://primeminister.gr/2015/07/08/13864>

Τσίπρα, Αλέξη, Ομιλία του πρωθυπουργού Α. Τσίπρα στη Βουλή στη συζήτηση του σ/ν για τη διαπραγμάτευση και τη σύναψη δανειακής σύμβασης με τον ESM, 11.07.2015: <https://primeminister.gr/2015/07/11/13872>