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Abstract: This article builds on ignorance studies to examine what went wrong in IMF expertise during the European debt crisis. A fundamental component of ignorance is concealing what you know. Ignorance is a strategic resource in ‘tournaments of conditionality,’ when the setting of IMF conditionality is a conflicted exchange. This article covers IMF lending programs in Europe in 2008-2013 with a special focus on the first program for Greece. Empirical data is drawn from public sources made available at the start of each programs. I find that IMF ignorance resulted from a joint process of ‘private alteration’ and ‘public obfuscation’: the alteration of normal scenarios of debt sustainability in private expert negotiations worked in tandem with the obfuscation of doubts and risks in public stage. The key contribution of this article is to show that the ‘failure’ of the IMF program for Greece can be reconceptualised as ‘success.’ The immediate goal of the Greek program was to avoid the breakup of European monetary institutions. Another goal was the bailout of Greece’s creditors. In this respect, the Greek program was a great success. But success came at a huge cost for EU authorities. The program was also a disaster for Greece’s economy. This article claims that scholarly and popular interpretations of IMF program failures as epistemic hubris and complacency missed important problems and failed to identify the real culprits.

Keywords: IMF, policy failure, austerity, Eurozone debt crisis, Greece, tournaments of conditionality

JEL: D7, D8, E5, F0
1. Introduction

When the IMF mission landed in Athens in 17 April 2010 to negotiate a rescue deal, it set to work immediately not with Greek officials but with the envoys of the European Commission and the European Central Bank. When IMF staffers arrive in a country, they normally work with the country asking for help. In this instance, Greece had not yet made a formal request for assistance and the IMF would negotiate the terms of the program with European authorities. Because Greece was a member of the Eurozone, the Fund took a minority stake in the rescue program and had to compose with EU authorities in determining the lending conditions. The size of the IMF’s commitment was another hint that the program was singular: at €30 billion, not only was the loan the largest ever made by the IMF, it was significantly above what the Fund was allowed to lend as per its internal governance rules. Perhaps the most remarkable feature of the program was its colossal failure: with a record high 180% debt-to-GDP ratio, Greece today continues to battle insolvency, seven years after the first rescue program was drafted.

The dismal performance of the program is now widely acknowledged by economists and financial analysts. And yet, many questions remain controversial: What was the meaning of the IMF involvement? Why was the Greek debt not immediately restructured? And, who benefited from the failed program? Debates surrounding the IMF intervention took an epistemic turn when critical voices emanating from the Fund began to be heard. Documents leaked in 2013 revealed that many directors stood up against the terms of the Greek program when it was approved at a contentious executive board meeting in May 2010.² In a statement that left many perplexed, the IMF chief economist made public admission that austerity policy prescriptions relied on defective calculative components (Blanchard and Leigh 2013). Evidence of conflicts and errors brings additional questions: Were these admissions a strategy to shift the blame around? Did the IMF

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management wholeheartedly believe in the program? And, if not, why was the Fund willing to participate in the program? The European debt crisis raises many issues for the sociology of international organizations, their mandate, and the role of expertise on policy formation and failure.

Recent episodes of policy failure have left social scientists struggling to grasp the epistemic component of the financial crisis of 2007-2008. A recurrent trope among social scientists is to assess policy failure in ideological terms. According to a common held view, transnational networks of experts are key purveyors of policy ideas. As ‘epistemic communities’ they recommend policies according to their shared normative beliefs about the economy (Haas 1992). Experts shape the formation of policy preference, what lawmakers see, how they value and focus attention. Ideas like securitization, free trade, and counter-cyclical stimulus have little in common except that, at different times and places, they have all served as ideological templates and roadmaps for policy. When expertise acquires such an institutional role, expert diagnostics drive collective action by producing conventions and focal points for policy formation – often without sufficient public reflection on the rationale for the policy or its consequences by lawmakers (Blyth 2002; Nelson and Katzenstein 2014).

According to this view, actors remain mostly unreflexive about the consequences of their action: as a rule, lawmakers stick to scripts without realising the full extent of the danger looming ahead, and experts tend to discover the flawed components of their diagnostics long after damage is done. In this way, policy failures are invariably portrayed as epiphanies, as Kuhnian moments of collective lucidity during which people realise that expertise informing policy was wrong. Many narratives of the collapse of the U.S. housing market feature regulators, central bankers, and real estate experts as Kuhnian scientists facing a ‘paradigmatic shift’ (Kuhn 1970). Reinhart and Rogoff (2009) coined the phrase ‘this time is different’ to connote the kind of epistemic hubris and complacency that often characterize people’s action before a market crisis: fundamentals are sound, policy is good, and regulation is relevant, until a crisis forces them to reckoned with their errors (see also Engelen et al. [2011]). This common representation of failure suggests a linear sequencing of events where 1) epistemic complacency and hubris is followed by 2) a sudden moment of collective lucidity, which then makes possible 3) the rectification of errors and the stabilisation of a new epistemic convention. In this sequencing, learning is the key mechanism of policy change:

3 Ideologically-based policy is when ‘policy makers grab hold of a key idea and use it as their main guide to making policy decisions’ (Grossman 2013: 179).
‘if there will always be elite debacles, we do believe that we can collectively learn from events and prevent further debacle in finance’ (Engelen, et al. 2011: 36).\textsuperscript{4}

This common representation of ‘crisis as epiphany’ requires a certain suspension of disbelief. We are indeed supposed to accept at face value that experts and lawmakers mostly ignored the disastrous consequences of their decisions. Failure becomes clear only in retrospect, accidents are unexpected and flawed decisions are a matter for regret and future learning. The paradigmatic case is Alan Greenspan, the former chairman of the Fed.\textsuperscript{5} Another example is the IMF’s admission of errors in the computation of Greek fiscal multipliers, a miscalculation that caused the Greek economy to contract far more than expected, and which the IMF chief economist said resulted from optimistic forecasting (Blanchard and Leigh 2013). Both cases are reminiscent of the ‘sleepwalking defense,’ a legal argument to avoid conviction for acts performed by an unconscious defendant. Focusing on the IMF, this article claims that scholarly and popular interpretations of policy failure as epistemic hubris and complacency miss important problems and fail to identify the real culprits.

This article builds on ignorance studies (Gross and McGoe 2015; McGoe 2014; Proctor and Schiebinger 2008) to challenge mainstream representations of crisis as epiphany and examine what went wrong in IMF expertise during the European debt crisis. Ignorance is not the opposite of knowledge; it is a strategic mode of action from reflexive experts adjusting their diagnostics to larger concerns. The starting point of ignorance studies is the pragmatic assumption that experts’ relationship to their own beliefs is not always absolutely sincere. Turning risk into uncertainty has been a consistent profit strategy used by the insurance and financial industries to cast aside regulatory policies and deflect accusations of wrongdoing (Ericson and Doyle 2004).\textsuperscript{6} Ignorance revisits how we understand policy failure and who is to be blamed for it. Under conditions of ignorance, the failure of expertise is always more than the failure of experts and responsibility is distributed across experts and those who bend expert diagnostics. The production of expertise under structural constraint has been verified in medical science (Heimer 2012) and international security (Mallard 2014). Ignorance also works as a key resource for international organizations (IOs) to legitimate controversial policy projects which would not normally be possible but which

\textsuperscript{4} Learning refers to ‘a change in beliefs or change in one’s confidence in existing beliefs, which can result from exposure to new evidence, theories, or behavioral repertoires’ (Simmons, et al. 2006: 795).


\textsuperscript{6} Risk and uncertainty are two categories of indeterminacy. Unlike risk, uncertainty cannot be quantified with probabilities, so a threat cannot be locked in a specific policy instrument (Knight 1985[1921]).
nonetheless must occur. In the context of the first lending program for Greece, I find that IMF ignorance resulted from a joint process of ‘private alteration’ and ‘public obfuscation.’ Private alteration means that IMF experts were far more reflexive than we currently assume about the defective components of its program for Greece, but that experts were summoned in private by powerful shareholders to adjust their diagnostics in order to secure the Fund’s participation in the Greek bailout. The private bending of IMF expertise worked in tandem with considerable efforts from experts to give defective expertise the public appearance of rationality. Public obfuscation of epistemic doubts is a strategic resource for IOs which, like central banks, have a sensitive communicative function (Holmes 2009: 384).

This paper examines how ignorance became a strategic resource for the IMF during what I call ‘tournaments of conditionality.’ With this concept, I adapt Appadurai’s notion of ‘tournaments of value’ to understand the setting of conditionality in a conflicted exchange. When a country is unable to service its debt, it turns to the Fund for loans. Conditionality is the activity of making the provision of financial resources contingent on a set of policy conditions that the recipient country must consent before aid disbursement. Conditional lending is a social activity, which implies choice and agency. At the IMF, conditionality-setting typically arises within the tripartite relation formed by external discretion, internal rules and epistemic beliefs (see table I). External discretion is exercised by powerful IMF shareholders like the U.S. and Europe who typically seek to influence Fund’s programs in terms of their own political, geopolitical, or even military interests (Stone 2002). The IMF can invoke internal rules to deflect discretionary influence and act according to strategic preferences beyond those of their powerful shareholders (Reinalda and Verbeek 1998). The notion of tournament of conditionality suggests a more nuanced understanding of epistemic power as enabled or curtailed depending on patterns of structural influence: when epistemic beliefs align with external discretion and internal rules, experts are entitled to compute scenarios autonomously, conditionality reflects experts’ contingent and controversial assumptions, and IOs can behave according to a neoliberal credo (or according to whatever belief is dominant within the IO); but when key actors assign different values and interests to lending programs, expertise stands

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7 Appadurai (1986: 21) defines tournaments of value as ‘complex periodic events that are removed in some culturally well-defined way from the routines of economic life. Participation in them is likely to be both a privilege of those in power and an instrument of status contests among them . . . what is at issue in such tournaments is . . . the disposition of the central tokens of value in the society in question.’

8 The World Bank, regional development banks and bilateral organizations also use conditionality frameworks in their country financing operations (Babb and Carruthers 2008).
apart from epistemic routines and organizational scripts, and the drafting of IOs programs becomes tournament-like events. In tournaments of conditionality, experts are under significant pressure to deviate from their shared beliefs and certify controversial lending programs, even if they do not wholeheartedly believe in their utility.

ABOUT HERE TABLE I

The key contribution of this article is to show that, if we take the production of ignorance in tournaments of conditionality as the main focus, the ‘failure’ of the IMF programs in Europe can be reconceptualised as ‘success.’ Critical accounts of the IMF program as overtly doctrinal and informed by a neoliberal credo are misplaced because they miss the underlying intentions of the Fund – goals which were largely veiled from public scrutiny. As I intend to show, the immediate goal of the Greek program was to avoid the breakup of European monetary institutions. Another goal was the bailout of Greece’s private creditors, in particular large French and German banks. In this respect, the program was a great success. But success came at a huge cost for EU authorities who had to shoulder the cost of bailing out large banks. The program was also a disaster for Greece’s economy, imposing huge costs on the Greek people with little effect on restoring debt sustainability.

This article covers IMF lending programs in Europe in 2008-2013 with a special focus on the first program for Greece. Empirical data is drawn from public sources made available at the start of each programs. The frame of ignorance assesses the content of expertise against contexts of knowledge production and policy discussion. A practical difficulty arises considering that the micro-practices of IMF actors are not an open book for scholars. Key decisions informing action are often concealed in the secrecy of shadow meetings and hidden documents. The empirical strategy I chose for this article is to make the best use of public data by tracking traces of conflicts

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9 This study additionally covers the programs for Hungary and Latvia (2008), Ireland (2010), Portugal (2011), Cyprus (2013). I did not analyze the 2012 adjustment program for Greece because its parameters were set in continuation with the 2010 program which it superseded.

10 Interviews with powerful actors could be a useful empirical strategy to obtain confirmatory statement and find out about what is not publicly known. Yet, the biggest problem is information retention and stonewalling: interviews often yield mixed results when actors are reluctant to discuss their controversial decisions (Jerolmack and Khan 2014). Blustein, an expert at the Centre for International Governance Innovation (CIGI), interviewed key actors in the IMF’s first bailout of Greece, and according to him ‘extracting details has been difficult; one interviewee whom I asked about it replied, “That is a subject I will not discuss until I die”’ (Blustein 2015: 9).
and controversies cloaked inside thousands of pages of documents. Policy documents make for imperfect but justifiable data to investigate IMF intentions. Policy documents are imperfect because, like history, they tend to be written by the winners, implying that key inconsistencies and controversies are erased from official sources. To circumvent this problem, I applied textual analysis and interpretive techniques to identify in policy documents the sections which bear the mark of their context of production. Program documents provide an empirical basis to reconstitute the complex legal, political, and epistemic rationalities that prevailed at the time of program-conception. Very much like plaque tectonics, documents of all kind carry the traces of colliding forces and interests.

In the next section, I analyse the political economy of IMF conditionality circa 2008. Section 3 examines the legal and epistemic features of the Greek program as an instance of ignorance. Section 4 assesses the costs and benefits of ignorance. Section 5 concludes.

2. The political economy of IMF conditionality circa 2008

Conflict and ambiguity at the IMF

The IMF’s 70-year history is one of remarkable resilience and adaptation to a changing financial landscape. After the end of Bretton Woods, the IMF could no longer fulfil its original purpose to monitor and enforce exchange rate stability (Boughton 2000: 279). Under a system of fixed exchange rate, countries with balance-of-payments deficits turned to the IMF for funds to stabilize their currency. For as long as crises were limited to current account deficits, conditionality was rudimentary and entailed promises of budgetary rectitude and fiscal adjustments. With the return of international capital flows, the IMF recalibrated its missions and activities to manage countries facing a capital account crisis. Solving a capital account crisis typically takes longer and requires more resources because it implies covering large outflows of private capital. In the post-Bretton Woods context, conditionality acquired a more militant meaning as the IMF began to prescribe long-term structural reforms in addition to macroeconomic policies. Trade liberalization, privatization and deregulation became a staple of IMF programs in the 1980s.
To say that post-Bretton Woods conditionality is based on epistemic preferences is not particularly original. Among the scholars who have noted the connection between IMF conditionality and ideology are Stiglitz (2002) and Williamson (1990). Beyond IMF exposure to dominant ideas and doctrines, perhaps the most important and interesting sociological issue concerning post-Bretton Woods conditionality is the conflict arising between rules and discretion (Rajan 2005). One of the Fund’s cardinal rules is not to lend to insolvent countries. Before considering structural adjustment (or any other conditionality parameters), the IMF is normally entitled to request debt relief in order to restore the solvency of crippled countries.\(^\text{11}\) Yet, at the turn of the century, IMF internal rules were poorly-defined and, thus, easily overridden, making the Fund vulnerable to ‘organizational slippage,’ a common predicament affecting IOs when they confront pressures to over-extend their mandate (Babb 2003). At the IMF, one cause of slippage is the bias toward lending caused by powerful states shaping IMF lending programs for their own account.

A strong lending bias was particularly apparent in episodes of exceptional lending access in Mexico, Argentina, and Russia where the Fund committed massive sums without subjecting rescue programs to restructuring. IMF loans are normally limited by quota limits that a country can receive.\(^\text{12}\) But during the 1990s, the IMF repeatedly evoked high risk of cross-border spill-over to breach contractual lending limits and step in with large-scale loans. This set a new pattern: instead of covering current account deficits, IMF resources increasingly served to cover private capital account losses incurred by private creditors. A problematic effect of large IMF loans was to finance capital flight by allowing private creditors to escape the outcome of reckless lending practices and transfer to the IMF the burden of responsibility for debt collection. States and large banks praised exceptional lending access as a measure of flexibility in times of emergency. Yet, that large sums were often disbursed against no request for private sector involvement posed a threat to IMF reputation. Indeed, the Fund’s mandate is to rescue countries, not banks or currencies. After an effort to rescue Argentina ended in a catastrophic default a few months later, the IMF began to work on solutions to bolster internal governance, clarify systemic risk and redefine exceptional lending access.

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\(^{11}\) Debt relief can take the form of upfront debt restructuring or currency devaluation.

\(^{12}\) Cumulated loans available cannot exceed 300 % of the capital pledged by country members. In 2009, the cumulative limit was doubled at 600 %.
Policy innovation in IMF scenario-making: ‘Debt Sustainability Analysis’ (DSA)

After Argentina, the IMF introduced new, increasingly complex internal procedures and conditions of decision-making to regulate unwanted ‘discretion and flexibility’ (IMF 2002: 7). Under the new framework, exceptional lending could go ahead without restructuring only if ‘a rigorous and systematic analysis indicates that there was a high probability that the debt will remain sustainable’ (IMF 2002: 13). In situations where IMF staff was not able to conclude that a country’s debt is sustainable with high probability, restructuring was required to restore debt sustainability, upon which only loans could be granted. Since the distinction between solvency and insolvency does not exist in nature (these are analytical categories), the criterion of demarcation was an emanation of statistical analysis. ‘Debt Sustainability Analysis’ (DSA) became the main gatekeeping mechanism to protect against discretionary use of IMF resources. DSA substantiated the idea that loan decisions should be based on hard knowledge and cold analysis rather than on haste judgment and external discretion. DSA empowered IMF staff to assess sustainability in the form of a baseline scenario: either debt was sustainable with high probability (in which case loans were possible with conditionality) or it was not (and restructuring was requested).

Expert knowledge is a core resource in global governance (Graz and Nölke 2007: 235-236). Scenarios and forecasts are key tools that IOs use to buttress exchange and broker accord between parties (Andersson 2012; Colonomos 2015). As ‘contractual knowledge,’ scenarios and forecasts not only model the future, they also shape the present with distributive effects on the type of decisions that actors can undertake (Mallard and Sgard 2016). At the IMF, the parameters of lending programs are specified and calibrated against scenarios assessing debt trajectories. During the drafting phase of IMF lending programs, scenarios of debt sustainability provide the interface where the parties involved negotiate and contractualise expectations about the lending program. During the implementation phase, scenarios work as benchmarks to assess the country’s compliance with the conditions set out in the program. Scenarios are consequential and controversial: they greatly influence the choice of conditional lending features, how much money is extended, when, and at what condition. Thus, scenarios matters not just for their predictive content (whether they accurately assess the future or not) but also for the type of action that they make possible (Pénet 2015).
It is complicated to assess whether the DSA framework altered IMF conditionality practices because the Fund would have few new clients until 2008. If sophisticated models of debt sustainability analysis brought the IMF closer to a statistical agency, a major problem was that there was barely anyone to rescue. Stricter guidelines for lending soon became secondary to the more pressing issue of absence of activity. An IMF director lamented: ‘Firefighters don’t like to sit in the firehouse . . . if there are no crises, you’re sitting around wondering what to do’.13 People operating on a narrow historical memory began to claim that the IMF had become useless in a world without crises.14 The crisis of legitimacy turned into an existential one when chronic inactivity began to undermine IMF finances. Just like the countries it used to rescue, the IMF faced a serious cash-flow problem. For the first time in his history, the IMF engaged in significant reduction of its workforce. In 2007-2008, the IMF lost 600 staffers (20 per cent of its workforce), including experts with considerable experienced in designing and running lending programs. The timing could not be worse since cuts in staffing occurred only a few short weeks before the IMF received the first calls for assistance from Europe. In the words of the IMF’s own Independent Evaluation Office, ‘the downsizing exercise . . . impeded the IMF’s ability to provide intellectual leadership’ during the European debt crisis (IMF 2014: 31).

3. **Staging consensus, obfuscating doubts: two-level bargaining between the IMF and EU**

*Bargaining between the IMF and EU*

Hungary sent a request for assistance in October 2008. The collapse of Lehman Brothers was sending shockwaves to Europe. Ukraine and Iceland followed in late 2008. In early 2009, the IMF received additional applications from Belarus, Latvia, Serbia, and Romania. The return of financial uncertainties was met at the Fund’s headquarters with a certain sense of relief because it held the promise of a prompt return to business after a long period of inactivity. But the IMF was without its most seasoned staff and, therefore, ill-prepared to face the heavy work load implied by fresh new business. For the European department, the situation was particularly untimely. Both its

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14 *The Economist*, ‘Not Even a Cat to Rescue,’ 20 April 2006
director and deputy director had left and the Fund had not yet replaced them. Perhaps the most significant challenge for the IMF was the unwelcoming attitude of the European Central Bank (ECB) and the European Commission (EC) who likened IMF activities on European soil to intrusion. Yet, Europe lacked experience and expertise in crisis management and EU authorities and the Fund gradually became partners in drafting rescue programs. So long as the IMF provided the majority of funds (in Hungary and Romania, see Annex), it dominated policy discussions and enjoyed relative autonomy in setting the terms of the program. But where EU institutions clearly overspent the IMF, conflicts arose and programs were negotiated under tournaments of conditionality. In Latvia, Europeans refused to abolish the currency peg, something the IMF wanted, because it undermined the country’s prospect to gain membership into the Eurozone. Since devaluation was not part of the conditionality equation, the IMF warned that Latvia would have to agree to a radical austerity conditions which the Fund predicted would hurt the prospect of a speedy recovery (IMF 2009: 20, 23). Disputes with EU authorities were a warning sign of problems that the IMF would encounter when drafting programs for Greece.

In October 2009, virtually every aspect of existing financial troubles intensified when Greece revised its deficit projection upward from 3.7% of GDP to 12.5%. Although Greece was viewed as the ‘European Lehman,’ EU authorities did not immediately take action. One key European concern was to avoid systemic risk. French and German banks which held large amounts of Greek debt (€60 and €35 billion, respectively) strongly opposed any restructuring. Restructuring was indeed risky because it could undermine other vulnerable countries like Spain and Italy. In this instance, uncertainties arose not just from indebted countries but also from that Eurozone institutions lacked clear and comprehensive mechanisms of crisis management (Mallard and Pénet 2013).\(^\text{15}\) Action was badly needed but it was unclear what Europeans could do.\(^\text{16}\) Nicolas Sarkozy and Christine Lagarde, the French Ministry of Finance (and future IMF managing director), viewed the crisis as a test of strength for the Eurozone. While the French praised a comprehensive backstop mechanism, a move that required to amend treaties, Angela Merkel and her powerful financial minister Wolfgang Schäuble pledged their attachment to the unconditional observance of European

\(^{15}\) The no-bail out clause contained in article 123 of the Treaty on the Functioning of the European Union prohibits monetization of government debt. Article 125 prevents the EU or any member state from assuming the financial commitments of another state.

\(^{16}\) Had Greece not belonged to the Eurozone, the Bank of Greece would have printed more currency. A depreciated Drachma would have eased the debt burden and made Greek exports more competitive.
treaties and favoured an ad hoc solution. The German’s view prevailed at a March 25, 2010 meeting and the EC began to work on a bilateral loan program to rescue Greece without breaching internal governance rules (Blustein 2015: 6). Despite initial ambivalence about the IMF, EU authorities perceived that, after all, they had something to gain to be able to claim the IMF’s seal of approval when drafting conditional lending programs. The IMF would serve an advisory function in the Greek lending program and its financial contribution was welcomed provided that the Fund accepted European conditions.

Since Greece’s debt overhang was much larger than previous lending cases, the IMF faced the situation of having to make a gigantic loan, a decision that was contingent on DSA rules that the IMF had codified in 2002 to avoid repeating the mistakes committed in Argentina. The categorisation of Greek debt as sustainable or unsustainable became the epicentre of a protracted dispute within the ‘Troika’ (the IMF, the EC and the ECB). IMF staffers presented the first DSA results for Greece at an internal March meeting. They found that Greek debt was not sustainable with a high probability and therefore had to be restructured. When the IMF went to make its pledge for restructuring at the ECB, they received a barrage of indignant reactions from ECB President Jean-Claude Trichet who, like other senior European lawmakers, fiercely opposed any restructuring.\(^\text{17}\)

The crux of the matter was that both the IMF and European authorities operated under strict internal governance rules. The situation could only be resolved if one party yielded. The IMF’s position was clearly unfavourable because the IMF did not control the ECB but Europeans retained enough voting power (25%) to control the IMF’s executive board, not to mention that owing to a longstanding tradition, they controlled the managing directorship. For the IMF, the three options were: 1) refuse to lend, 2) lend after restructuring or 3) lend without restructuring and breach internal rules. The first solution was ruled out by IMF Director Dominique Strauss Kahn.\(^\text{18}\) Europeans categorically opposed the second option. For the Fund operating under contradictory injunctions, the third was the lesser evil option. For experts, it was a perilous enterprise because it required working around restrictions on exceptional lending access. At the same time, the IMF

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\(^\text{17}\) According to one of Blustein’s interviewee, the ECB president ‘blew up:’ ‘We are an economic and monetary union, and there must be no debt restructuring!’ ‘[Trichet] was shouting’ (Blustein 2015: 11)

\(^\text{18}\) A desire to get back to work after years of inactivity was an important reason. The IMF’s Internal Evaluation Office reports that the prospect of participating in the financial rescue of Greece was a source of ‘much excitement by many at the IMF’ (IMF 2016b: 18).
could not go on silent into accepting a program that violated internal rules. The public notification of the lending program for Greece required a demonstration of due diligence with respect to internal requirements against lending to insolvent countries. Did the IMF believe that the program stood a good chance of working? A close inspection of IMF and EU policy documents suggests that consensus was not sincere but staged. Major doubts and contradictions within IMF reports indicates that the contractualisation of program expectations for Greece entailed a form of exchange in which ignorance was a resource between actors with different interests.

*Cut and paste practices and organizational ventriloquism*

Lending programs for Greece, Ireland, Portugal and Cyprus show apparent consensus between EU authorities and the IMF. This is hardly unsurprising given that lending programs reproduce *in extenso* documents drafted jointly by the EU and the IMF. Each lending program contains the Memorandum of Economic and Financial Policies (MEFP) a document already agreed upon by the IMF and the EU detailing macroeconomic and structural policies requested from the borrowing country. Each program also contains a very similar Letter of Intent (LoI) by which the borrowing country agrees to the terms of the program. Finally, each program contains a Memorandum of Understanding (MoU) and Technical Memorandum of Understanding (TMU). Besides scripted documents intended to reflect consensus, each program also includes a staff report prepared separately by the IMF and the EC. Unlike previous documents, program reports are more than mere compendia of technical specifications or instruction sheets. They are perhaps the most important documents featured in lending programs because they offer a key perspective on the processes of risk assessment and reality construction that underwrite any conditional lending process. A distinctive feature of EU-IMF programs is to allow comparing program reports drafted by separate jurisdictions for the purpose of recognising marks of buried conflicts and competing intentions.

To measure the organizational effort to stage consensus, I uploaded the five program documents for Greece, Portugal, Ireland and Cyprus into the software plagiarism-detection *Copyfind*. For each program, I ran two plagiarism checks, one comparing EU and IMF full program content, the other comparing the reports issued separately by the EU and the IMF. The results of the first round of plagiarism checks show that between 15% and 30% of the content of each program is shared across the IMF and the EU (see table II). That lending programs have a high degree of similarity is hardly
surprising given that each program features copycat versions of documents already negotiated and agreed upon by the IMF and EU authorities. The second round of plagiarism checks on reports show a much lower degree of similarity. This is consistent with the fact that program reports result from in-house analysis. However, a close comparison also reveals practices of ‘cut and paste’ between reports. Not all cut and past practices are suspicious. For instance, similar sentences in Greece’s letters of intent to the IMF and Europe are a benign case of self-plagiarism. But cut and paste practices in IMF and EU in-house analysis are more suspicious given that reports supposedly reflect independent analysis. Two organizations with shared intentions about program can contractualise expectations without resorting to cut and paste practices. But plagiarism becomes useful when two organizations want to enforce ceremonial mimetism for strategic purposes, a practice that recalls the stagecraft activity of ventriloquism.

ABOUT HERE TABLE II

One explanation for organizational ventriloquism is the context of emergency in which programs were prepared. That Europe was little prepared to dealing with debt emergency in the Eurozone probably led the EC to borrow from the IMF. Despite short staffing, the IMF was more experimented than the EC to negotiate a lending program with Greece. But the results of plagiarism checks show that cut and paste practices also emanated from the IMF report. As Strauss-Kahn recalled, it was critical for the IMF to project public consensus in a distressed environment:

> We were totally convinced that one of the strengths of the Troika was to appear united. So we couldn’t take the risk of showing any kind of disagreement. Even if we believed something was wrong, I wasn’t going to go to the media and make a statement like, ‘What the hell are they doing!’ In those cases, my institution just shut up. The idea that the Fund ought to be a ‘ruthless truth-teller’ is fine when it comes to the member countries — but not the public (quoted in Blustein 2015: 8).

Whether the causes of ventriloquism are uneven distribution of experience, strategic uncertainty reduction or, more presumably, a mix of both, plagiarism checks suggest that consensus between the IMF and the EU was not necessarily sincere but staged. Yet, the Fund’s effort to erase all doubts from public stage was not entirely successful.
Gaps and glissandos

The staging of the program’s credibility was not without apparent doubts and contradictions. Substantial differences can be found in the in-house diagnostics that the IMF and EC produced in their separate program reports. A first contrast in EC’s and IMF’s understanding of risk was how they computed scenarios of debt sustainability. The IMF and EC used a similar baseline scenario to project that the Greek debt would peak at 149% in 2012-13 and decline to 139% in 2015 and 120% in 2020. But while the EC remained constantly optimistic about the scenario, the IMF raised serious objections concerning the sustainability of the Greek debt. Given that the initial debt level was very high (115%), the IMF assessed the ‘sensitivity’ of the scenario against the prospect of ‘unsustainable dynamics’ ensuing from a fiscal shock (IMF 2010a: 36). A sign that the IMF was more willing to consider alternatives was that it assessed the sustainability of the Greek debt against six alternative scenarios, all of which more pessimistic than the baseline.¹⁹

ABOUT HERE TABLES III AND IV

Another crucial difference was the IMF’s recognition that the Greek adjustment effort would undermine prospects of recovery. In IMF terms, the chosen scenario implied ‘obvious’ and ‘very substantial’ risks (21, 24)²⁰. The MEFP obliged Greece to undertake austerity measures of a magnitude unseen before in the history of structural adjustments.²¹ Just like in Latvia, the lending program was designed for a country precluded from devaluing its currency and expanding the monetary supply. Absent monetary levers to restore competitiveness, the program turned granular as the blunt of adjustment relied almost exclusively on internal devaluation by ways of budget cuts and tax increases (Armingeon and Baccaro 2012). While devaluation immediately restores competitiveness, austerity is a ‘long and painful’ (8) process involving significant political costs and whose effects become visible only in the longer run. According to the IMF, the austerity conditions set for Greece were ‘unprecedented’ and of ‘extraordinary’ scale (8, 23). These are

¹⁹ The IMF actually nicely anticipated Greece’s actual debt trajectory in its second-to-worst ‘3% More deflation’ scenario (see table IV). But this was not the scenario that served as the baseline for program conditions.
²⁰ Quotes with parenthesized page numbers are taken from the IMF report (2010a).
²¹ The program projected public cuts and tax increases amounting to 7% and 4% of GDP, respectively. To put things into perspective, budget cuts were roughly equivalent, as a percentage of the British economy, to what the British government spends annually on health care.
clearly not the words that a party convinced of the benefit of the program would have used. Such qualifiers are absent from the EC report. Considering the historical preference of the IMF for austerity programs (Nelson 2014), it is also paradoxical that it was the IMF which was more prompt to acknowledge the hardship of the program on the Greeks. In its policy analysis, the Fund used the Keynesian notion of ‘negative fiscal multipliers’ to convey the idea that a too severe adjustment could lead Greece straight toward a prolonged recession.²² In contrast, the EC reported that the parameters of the program reflected prudent assumptions and even envisaged that Greece could fare better than expected (see section A in table V).

ABOUT HERE TABLE V

At €30 billion, equivalent to an unprecedented 3 200% quota, the Greek program was the largest the IMF had ever made (table VI). In March, IMF expert had not found Greek debt sustainable with a high probability. In May, the IMF report continues to raise significant concerns about the risk of the program. How could the IMF approve a program that was in clear violation of its DSA rules? The IMF circumvented the problem by adjusting its internal rules. A ‘systemic exemption’ clause was written into the report to allow exceptional lending without restructuring to a country facing a risk of systemic spill-overs (table V, section B). The exemption clause allowed large-scale loans to a country whose debt did not meet the high-probability requirement. I have so far assessed discrepancies between the IMF and EC reports to suggest that IMF experts operated under contradictory injunctions during the drafting phase of the Greek program. Fundamental contradictions also surfaced within the IMF reports in connection with the matter of debt sustainability (table V, section C). For IMF staffers, the new clause was complicated to absorb as reflected in the wording of the IMF report, at once very optimistic and very wary about program risks. On the one hand, the IMF writes that ‘With disciplined program implementation, Greece’s debt is expected to be sustainable in the medium term, and its repayment capacity to be adequate’ (IMF 2010a: 20). Here the IMF clearly exploited the grey area in DSA between ‘high’ and ‘not

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²² Negative fiscal multipliers give an estimate of how much an economy will contract for every euro in spending cuts or tax increases. Although the IMF anticipated that Greek fiscal multipliers were ‘bound to be large’ (8), negative multipliers were set at 0.5, a rather low figure while in fact the circumstances of the Greek adjustment made the multiplier as much as 1.5 (a €1 spending cut cost €1.50 in lost output). The revision of multipliers from 0.5 to 1.5 was the key component in Blanchard’s 2013 mea culpa.
high’ probability to justify the program. In other portions of the report the IMF is far less categorical.

ABOUT HERE TABLE VI

While the IMF erased the biggest doubts, key departures from the EC document unambiguously pointed to second thoughts. Obviously, the IMF never said explicitly that they did not believe in the program. But conflicts and contradictions in the reports can be interpreted to signify just this. Try as they might to hide their differences, the Troika members did not always succeed, especially when it came to the issue that most sharply divided them. Contradictions also appeared in program documents for Ireland, Portugal and Cyprus where the IMF also applied the systemic exemption clause. Just like in Greece, debt sustainability could not be determined with a high probability and the DSA was waived so lending could go forward without restructuring. In IMF terms, program risks were ‘high’ in Ireland (IMF 2010b: 1), ‘immense’ in Portugal (IMF 2011: 9) and ‘substantial’ in Cyprus (IMF 2013a: 13). But despite doubts, these programs do not register the same level of tension between the IMF and EC as in the Greek program. In these programs, the IMF and EC assessed debt dynamics using the same range of scenarios. Another sign that Greece was different was the IMF expecting that ‘differences of view and assessment of developments’ with the EC would ‘pose complications’ in program coordination (IMF 2010a: 22). This is a serious admission that does not appear in later programs for Ireland, Portugal and Cyprus, suggesting that the Troika was able to iron out differences in drafting lending programs for these countries. Ultimately, the gap between projected and actual debt scenarios was higher in Greece than anywhere else.23

Traces of doubts and conflicts lodged into Greek program documents are typical of a tournament of conditionality: European shareholders demanded IMF involvement without debt restructuring while internal pressures from senior IMF officials pushed the Fund to lend after a decade of inactivity. IMF experts thus operated under fantastic contradictions. The outcome of the tournament of conditionality was to amend DSA rules. Despite an early attempt to reject IMF participation without restructuring, IMF staffers gave way and DSA rules were breached. If DSA

23 According to the EU-IMF baseline scenario, the Greek debt was projected to peak at 149% in 2013 while the actual debt was 177% (18% higher). The Portuguese debt was expected to peak at 115% in 2013, it stabilized at 129% in 2015 (+12% higher). The Irish debt peaked at 120% in 2013 and declined after, as expected in EU-IMF projections. Cyprus debt was expected to peak at 126% in 2015. It was in fact 109% (14% lower).
was intended as a fuse to protect the Fund against reckless lending, the IMF ignored it when it blew. A careful reading of policy documents suggest that IMF experts did not compute scenarios against the macroeconomic profile of the country or projections about debt sustainability. The Greek program inverts the ‘normal’ direction of fit between expertise and policy: instead of expertise certifying projects, expertise become the variable of adjustment to strategic interests to lend. IMF expertise was calibrated for its effects on policy, not the reverse. The role of IMF experts in the Greek program is one in which experts’ chief task is to make credible a program in which they did not entirely believe. If the baseline scenario did misrepresent Greek risks by a large margin, doubts and inconsistencies laid open in the IMF report suggest that Fund’s experts were acutely aware that their scenarios and roadmaps were fictional and would damage Greece’s prospects of recovery. The next section discusses the costs and benefits of ignorance.

4. The costs and benefits of ignorance: saving private Europe

The first bailout was approved at a contentious 9 May 2010 IMF board meeting. According to internal records leaked to the press in 2013, a third of the board members, representing more than 40 non-European countries, rebelled against the Greek program. While all European countries (except Switzerland) endorsed the program, members representing Brazil, Russia, India and China opposed the program. India’s executive director Arvind Virmani was prophetic in stating that ‘The scale of the fiscal reduction without any monetary policy offset is unprecedented. It is a mammoth burden that the economy could hardly bear.’ The Swiss director Rene Weber asked why debt restructuring was not considered: ‘Even a small negative deviation from the baseline growth projections would make the debt level unsustainable over the longer term.’ The lack of private sector involvement was the stumbling block of the controversy. To many directors the Greek program seemed less about Greece and more about Europe. Brazil’s executive director Paulo

24 If IMF experts pursued ignorance, why, then, did they leave traces of conflict in paper trails? One explanation could be that doubts and inconsistencies were left hanging in plain view as ammunition to dodge future accusation of carelessness. A more mundane explanation is that experts tried their best to erase the most visible traces of conflict but were ultimately not entirely successful in the process. Residual doubts surfacing in the program report reflect inconsistencies typical of an organization drafting a program in which it does not wholeheartedly believed. To get a clearer picture would require knowing more about EU and IMF program drafters. This is a matter for future research.

Nogueira Batista called into question the real motives of the program: ‘It may be seen not as a rescue of Greece, which will have to undergo a wrenching adjustment, but as a bailout of Greece’s private debt holders, mainly European financial institutions.’ But ultimately, critics came to no avail. European countries dominating the Fund’s governing structure forced the Board to accept the program.

For Greece’s private creditors, the consequences of the program were immediately and immensely positive. Private sector creditors were bailed out using the funds that Greece borrowed from the EU-IMF. Saving large French and German banks temporarily deflected the risk of a Greek default. For EU authorities, the program yielded ambiguous effects. On the one hand, it temporarily saved the EU from having to invent a comprehensive institutional mechanism of risk management, something German lawmakers clearly ruled out from the onset. But the safeguard of Eurozone internal rules came at a huge cost for Europe’s public finances and taxpayers: when negotiations to reduce Greek debt began in 2012, 65% of Greek debt was owed to the IMF and Eurozone taxpayers instead of banks and hedge funds. For Greece, the lending program has produced disastrous results. While banks left mostly unscathed from the crisis, the Greek economy has been significantly and durably undermined with little prospect of recovery seven years after program start. The 2010 lending program for Greece has depressed the economy, increased public debt, sent dozens of thousands of Greeks searching for a job abroad (Trachana 2013) and provoked a domestic health crisis (Kentikelenis, et al. 2014). Even after the 2012 restructuring, the debt burden continues to remain unsustainable. Greece lost twice as it was forced to absorb cost of bailing out banks and the cost of the failed program.

Would the resolution of the European debt crisis have been more optimal without the IMF? It is hard to think of an alternative reality without at the same time making assumptions about EU authorities. Without the IMF, drafting the lending program for Greece would have been far more complicated for EU authorities and pressure far greater on them to consider a comprehensive backstop mechanism. It is credible to make the assumption that, had the IMF refused to get involved, EU authorities would have erected much sooner the credible firewall that they waited until 2012 to erect. Perhaps the biggest mistake came from EU authorities pursuing the naïve idea that they could solve an emergency crisis with disciplinary mechanisms in lieu of governing instruments. It took two years and considerable damage for EU authorities to realize that lending programs were only postponing the inevitable. The realization that the sacrosanct Eurozone rules
did not work occur in 2012 when the ECB launched its Outright Monetary Transactions (OMT) allowing unlimited purchase of sovereign bonds. The pledge to do ‘whatever it takes’ to save the Eurozone immediately settled markets. Had the ECB made this kind of statement two years earlier, crisis resolution would have been smoother for Greece, less costly for Eurozone taxpayers and less damaging to the credibility of the IMF. This is not an unrealistic scenario, it was actually the scenario that investors and credit rating agencies had in mind.26 Perhaps the IMF’s biggest error was not the conditional features of the program but to have bowed to European pressure and, in doing that, delayed the resolution of the crisis.

In a devastating report, the IMF’s has assessed its own Greek program as an ‘holding operation’ to give EU authorities time to react (IMF 2013b: 28). In January 2016, the IMF adopted new DSA rules in an effort to reclaim autonomy in program design. The Fund now assesses exceptional lending access against three categories of risk instead of two previously: if debt is in the grey area, neither clearly sustainable or unsustainable, debt reprofiling (i.e. the lengthening of maturities) is requested as a preliminary condition (IMF 2016a). The revised framework is a useful attempt to bolster autonomy against discretion. But internal governance rules present intractable problems for as long as they rely on knowledge. Measuring debt sustainability is not like measuring temperature or atomic weight, it requires judgment. Making such an assessment about a country is hazardous because risk has a strong political component. And the choice of a scenario is always complicated because there may be equally valid scenarios (Pénet 2015). Risk knowledge is inherently pliable and there is no guarantee that under a tournament of conditionality, the IMF will again not yield to the temptation of settling conflict by bending expertise. For as long as the IMF remains under the influence of its powerful state shareholders, ignorance will remain a strategic resource in program design.

5. Conclusion

This article has analysed the failure of the IMF program for Greece as an instance of ignorance.

26 For instance, the U.S. firm MF Global massively invested in distressed European sovereign debt, counting on the ECB to turn risky investments into high profits. The firm went bankrupt in 2011.
A key proposition of ignorance studies is to distinguish the failure of expertise from the purpose that they serve. The destructive consequences of the Greek program was less about self-indulgence to neoliberal epistemic beliefs, as studies emphasizing complacency and hubris have it, and more about fantastic contradictions in IMF mandate between rules and discretion. Ignorance point to instances of knowledge production in which epistemic beliefs become derivative of a set of larger issues and concerns arising outside the expert profession. With European legal and political uncertainties intruding in the design of lending programs, IMF experts were under constant pressure to acknowledge the practical consequences of their diagnostics on the future of Europe. IMF experts did not ‘miss’ the important fact that Greece was insolvent. Rather, Greece’s insolvency was an inconvenient truth that had to be erased from program documents. The IMF program for Greece was not designed to succeed in the traditional IMF sense of success. The program was destined primarily to rescue European banks and save the Eurozone at the time when the fate of banks and monetary institutions was linked. During the crucial months of 2009-2010, Greece was an issue of secondary order to the compliance of Eurozone rules. For Greece, the cost of belonging (and staying) in the Eurozone has been immense. And for the IMF, to participate in the lending program coordinated from Brussels and Frankfurt implied that the Fund behave as a European institution. One conclusion of this article is that when experts are enlisted as governance bodies, they begin to behave as government bodies, trading accuracy for ignorance (see also Pénet and Mallard 2014).

This article contributes to scholarship on IOs by showing that internal governance rules have neither increased nor decreased IOs autonomy but altered the modality of discretionary influence. In the context of tournaments of conditionality, external discretion becomes mediated in expert diagnostics: in addition to capturing decision-making bodies, powerful actors are compelled to find relays and allies within IOs to bend expertise and give the illusion of compliance. Epistemic conventions are curtailed and sites of knowledge production become the forums where key actors wage conflicts and seek to win policy exchange. Instead of designing projects following their shared beliefs, experts are under considerable pressure to bury doubts and inconsistencies into technical judgements and diagnostics calibrated to secure the possibility of controversial projects.

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27 As my comparative analysis of EC and IMF reports suggests, tensions and conflicts peaked during the drafting of the Greek program. IMF experts had more autonomy when drafting the programs for Ireland, Portugal and Cyprus.
Ignorance can only work if it is carefully wrought by experts. From that point of view, IMF expertise was a work of craftsmen. One hint that IMF ignorance was a remarkable success was that so much of the current scholarship was taken in by it. I have previously explained that scenarios and forecast facilitate vital processes of exchange between parties during program design. The quantitative components of lending programs have also had the important consequence to focus all critical assessments of the Greek program on IMF experts and spoil a productive critic of Eurozone rules of risk management. Sociologists and political scientists narrowed down the meaning of austerity programs to IMF epistemic beliefs while, in fact, program features and expert preferences flew directly from ill-fated Eurozone governance rules. By erasing controversial relations of power between experts and lawmakers, social scientists contributed to ensure the success of ignorance during the Greek debt crisis. Indeed, it was crucial for EU authorities to delay as far as possible the realisation that the hardship imposed on Greece and considerable waste of taxpayer money served to bailout large banks. Social scientists rushing to present the failure of austerity as the failure of neoliberal ideas achieved exactly that. The lack of sociological investigation of policy documents might be an important explanation of why scholars felt short on taking up important stories beyond the frame of hubris and complacency.

**Table I: Tournament of conditionality, a visual representation**
Table II: Results of plagiarism checks between IMF and EU programs and program reports

<table>
<thead>
<tr>
<th>Country</th>
<th>IMF program % similarity with</th>
<th>EU program % similarity with</th>
<th>IMF staff report % similarity with</th>
<th>EU staff report % similarity with</th>
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</thead>
<tbody>
<tr>
<td>Greece</td>
<td>IMF program</td>
<td>25%</td>
<td>IMF staff report</td>
<td>3%</td>
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<tr>
<td></td>
<td>EU program % similarity with</td>
<td>27%</td>
<td>EU staff report % similarity with</td>
<td>4%</td>
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<td>Ireland</td>
<td>IMF program % similarity with</td>
<td>19%</td>
<td>IMF staff report</td>
<td>3%</td>
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<td></td>
<td>EU program % similarity with</td>
<td>16%</td>
<td>EU staff report % similarity with</td>
<td>2%</td>
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<td>Portugal</td>
<td>IMF program % similarity with</td>
<td>34%</td>
<td>IMF staff report</td>
<td>4%</td>
</tr>
<tr>
<td></td>
<td>EU program % similarity with</td>
<td>22%</td>
<td>EU staff report % similarity with</td>
<td>3%</td>
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<td>Cyprus</td>
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<td>IMF staff report % similarity with</td>
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<tr>
<td></td>
<td>EU program % similarity with</td>
<td>17%</td>
<td>EU staff report % similarity with</td>
<td>2%</td>
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</tbody>
</table>

Specifications: shortest phrase to match: 5 words; most imperfections to allow: 1; numbers and punctuation ignored
Interpretation: the IMF program for Greece shares 25% of its content with the EU program. 73% of the EU report for Greece has original content not included in the IMF report.

Table III: EC’s two scenarios for Greece

Figure 12. Scenarios for the government debt ratio

Source: European Commission (2010: 30)
Table IV: IMF’s eight scenarios for Greece

Figure A1. Greece: Public Debt Sustainability Analysis (Percent of GDP)

Source: IMF (2010a: 36)
<table>
<thead>
<tr>
<th>IMF report</th>
<th>EU report</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A</strong> Risks to the program are high. The adjustment needs are unprecedented and will take time, so fatigue could set in. Any unforeseen shock could weigh on the economy and the banking system even if the fiscal program is on track. (p. 4) Significant uncertainties remain. The initial level of government debt is <strong>very high</strong> (115 percent of GDP in 2009), it may be revised upwards by 5-7 percentage points ... and the realization of hidden and potential liabilities may increase it further. Moreover, debt dynamics may <strong>significantly worsen</strong> under weaker economic growth, lower inflation, or higher real interest rates. (pp. 19-20)</td>
<td>Experience shows that <strong>expenditure-based consolidation</strong> has more chance of success, in particular for large consolidation efforts ... In case of better than expected fiscal outcomes, the authorities committed to speeding up the reduction of the deficit compared to the targets in the programme. (p. 14) The Greek programme rests upon very strong foundations ... There is no doubt that disciplined implementation of the programme would ensure external and sovereign debt sustainability ... The fiscal adjustment is fairly distributed across the society, and protects the most vulnerable ... The fiscal programme is based on conservative assumptions. Measures were quantified in a prudent way and applied to a rather cautious baseline scenario. (p. 27)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>IMF systemic exemption</strong></th>
<th></th>
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<tbody>
<tr>
<td><strong>B</strong> On balance, staff considers debt to be sustainable over the medium term, but the significant uncertainties around this make it difficult to state categorically that this is the case with a high probability. Even so, Fund support at the proposed level is justified given the high risk of international systemic spillover effects. Going forward, such an approach to this aspect of the exceptional access policy would also be available in similar cases where systemic spillover risks are pronounced. (p. 20)</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th><strong>IMF contradictions</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>C</strong> With disciplined program implementation, Greece’s debt is <strong>expected to be sustainable in the medium term</strong>, and its repayment capacity to be adequate. (p. 20)</td>
<td>Growth may be <strong>weaker than projected</strong>. Given the size of adjustment effort ... Greece may experience a <strong>deeper upfront contraction</strong>. While a moderate shock could be accommodated, persistently weaker growth would have a powerful negative effective on debt dynamics ... The new Greek authorities have ... [embarked] on a bold multi-year program that is <strong>extraordinary</strong> in terms of the scale of planned adjustment and the comprehensiveness of reforms ... The fiscal program is <strong>impressive</strong>. The scale and the frontloading of the adjustment are <strong>unprecedented</strong> ... The adjustment that lies ahead will be socially painful. (pp. 22-24)</td>
</tr>
</tbody>
</table>

Source: IMF (2010a) and European Commission (2010)
Table VI: Exceptional lending access (quota %) in historical perspective

Source: data until 2002 (IMF 2002: 5); from 2008 data is from program documents
# Annex: Selected IMF programs in Europe

<table>
<thead>
<tr>
<th>Country</th>
<th>Approval date</th>
<th>Report approved by</th>
<th>Time frame</th>
<th>IMF contribution (in € billion)</th>
<th>EU contribution (in € billion)</th>
<th>IMF contribution (% total)</th>
<th>Total sum</th>
<th>Initial debt (% GDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hungary</td>
<td>11/04/2008</td>
<td>Ajai Chopra and Adnan Mazarei</td>
<td>17-month</td>
<td>12.5</td>
<td>6.5</td>
<td>62.5</td>
<td>20</td>
<td>73</td>
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<tr>
<td>Latvia</td>
<td>12/19/2008</td>
<td>Anne-Marie Gulde-Wolf and Tessa van der Willigen</td>
<td>27-month</td>
<td>1.5</td>
<td>5.3</td>
<td>20.0</td>
<td>7.5</td>
<td>19.8</td>
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<td>Greece</td>
<td>05/09/2010</td>
<td>Poul M. Thomsen and Martin Mühleisen</td>
<td>36-month</td>
<td>30</td>
<td>80</td>
<td>27.3</td>
<td>110</td>
<td>145</td>
</tr>
<tr>
<td>Ireland</td>
<td>12/16/2010</td>
<td>Ajai Chopra and Martin Mühleisen</td>
<td>36-month</td>
<td>22.5</td>
<td>45</td>
<td>26.5</td>
<td>85</td>
<td>87</td>
</tr>
<tr>
<td>Portugal</td>
<td>5/20/2011</td>
<td>Poul M. Thomsen and Martin Mühleisen</td>
<td>36-month</td>
<td>26</td>
<td>52</td>
<td>33.3</td>
<td>78</td>
<td>111</td>
</tr>
<tr>
<td>Greece</td>
<td>3/15/2012</td>
<td>Reza Moghadam and Lorenzo Giorgianni</td>
<td>48-month</td>
<td>28</td>
<td>144.7</td>
<td>16.2</td>
<td>172.7</td>
<td>175.1</td>
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<tr>
<td>Cyprus</td>
<td>5/15/2013</td>
<td>Ajai Chopra and James Roaf</td>
<td>36-month</td>
<td>1</td>
<td>9</td>
<td>10.0</td>
<td>10</td>
<td>111.7</td>
</tr>
</tbody>
</table>

Source: IMF (2008; 2009; 2010a; 2010b; 2011; 2012; 2013a)
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