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**Kostas A. Lavdas, Spyridon N. Litsas, & Dimitrios V. Skiadas, *Stateness and Sovereign Debt: Greece in the European Conundrum*, Lexington Books, 2013, 200 pp. \$60 Hardcover.**

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### Book Review

The book by K. Lavdas, Sp. Litsas and D. Skiadas is a ground-breaking attempt to examine the crisis in the Eurozone's southern region from a genuinely political economy perspective, blending views and concerns from politics, international relations, and legal-institutional analysis. The book moves beyond the notion that the Eurozone states that reached unsustainable levels of sovereign debt and had to receive bailout funds from the EU, the ECB and the IMF, namely Greece, Ireland, Portugal, Spain, and Cyprus, were responsible of profligate, lazy, corrupt, and immature behavior. But the book eschews also the tendency to blame everything on the admittedly erratic and unfinished architecture of the euro. It aims instead to steer a course between the Scylla of explaining everything in terms of the structural asymmetries of the Eurozone and the Charybdis of a dominant focus on national cases of 'weak adaptation'. To be sure, as the authors amply demonstrate, countries as diverse as Germany, Cyprus, France, Greece, and Spain may still need different monetary policies. But the particular responses to the crisis after 2008 are to considerable degree associated with the differences and the asymmetries in national political, institutional, and economic systems. The book offers a particularly detailed, balanced but deeply engaged account of the acute Greek crisis in its evolving European setting. In so doing, *Stateness and Sovereign Debt* examines the crisis of Greece's political economy as a crisis of stateness, tackling the domestic as well as the international dimensions.

The authors do not shy away from explicating the difficult, even dramatic choices: the euro certainly leads to further erosion of sovereignty and when it comes to phases of severe crisis this leads to huge political and legitimacy issues. *Stateness and Sovereign Debt* aims to consider the Eurozone crisis in a long-term political and institutional perspective and to explicate the 'options, lost opportunities, and political possibilities examined against the background of the interaction of changes in politics, policy, and stateness in Greece in a comparative South European perspective' (p. 6).

Intended for an interdisciplinary academic audience, the book occupies a special position in the growing literature on the Eurozone crisis. The historical chapters situate it within the broader comparative and case-study literature on Southern Europe, while the sections of the book devoted to legal-institutionalist discussion of the extant

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recovery strategies consider the evolving role of Southern Europe in the European project which is itself a moving target.

As the authors note, from the day when George Papandreou, Greece's Prime Minister for two turbulent years (2009—2011), called on his EU partners and the IMF for financial aid, an entirely new chapter was opened in the Eurozone: Ireland, Portugal, Cyprus and Spain followed.

Taking a critical view of the policy mix imposed on countries that were thrown down a deadly deflationary spiral but at the same time demonstrating the need for structural reform, the authors search for answers in the combination of inadequate EU initiatives and weak domestic reform coalitions. At EU level, the authors examine the new version of "politics in hard times" with domestic and transnational coalitions that shift, interests that interact with increased intensity, interest politics that matter across the board while integrative initiatives and deliberative politics stay behind. On the one hand, the crisis led to a re-opening of discussions over key issues and dilemmas on the Eurozone and economic governance, issues that are deeply political. At the same time, serious debate and deliberation at this juncture has been minimal. In the Eurozone, the crisis manifested the inadequacy of its provisions—marked by the absence of institutionalized support mechanisms for members in difficulty—and led to a limited but significant phase of institutional development (EFSF, ESM).

As the authors suggest, a scenario that would explore the possibilities for an EU-based model of regional economic governance, would need a wide-ranging and multilevel debate on the lessons of the crisis. In this scenario, the IMF's transient role in the EU as an external enforcer would lead to a new institutional logic within the EU and the Eurozone.

As the authors argue, there can be little doubt that a country like Greece has to drastically change in almost every aspect of the economic life. And the implications for stateness and for sovereignty will be a rather complicated matter. In 2010, when the EU–ECB–IMF lending began, Greece's stateness was still conceivable in terms of the sovereignty exercised in the context of the EU, i.e., in the context of what the German Constitutional Court famously declared to be a Staatenverbund. It is conceivable—and from the viewpoint of the present authors desirable—that the end of the prolonged crisis period could find Greece standing on its feet, preserving its stateness and its EU-embedded sovereignty and be in a position to prevent such a catastrophe from ever happening again. It would represent a difficult but prudent combination. At the national level, in order to achieve this combination, it would be necessary to seek and form particular policy coalitions between entrepreneurs, professional strata, and qualified public servants, as well as to have a stable government in order for the particular policy coalitions to pursue sustainable reform. The authors realize that the feasibility of these conditions is very much in doubt. But by examining the particular and the general, by filling the analysis with details as well as with broad strokes, the book has become an indispensable guide to the academic approach to an adventure that will mark these countries – and the European project as a whole – for the years to come. It should be read by students, scholars and practitioners concerned with the critical questions of European politics and political economy, sovereignty, democratic options and policy choices.



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