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The IMF failure that wasn't: risk ignorance during the European debt crisis[1]

Pierre Pénet

Abstract

This article builds on ignorance studies to revisit how we understand the role of expertise in international policymaking. A fundamental component of ignorance is concealing what you know. For experts, risk ignorance is a strategic resource when the policymaking process becomes a contested exchange. This article covers IMF lending programmes in Europe in 2008–13 with a special focus on Greece. Empirical data is drawn from policy documents. I find that risk ignorance at the IMF resulted from a joint process of 'private alteration' and 'public obfuscation': the alteration of normal scenarios of debt sustainability in private negotiations worked in tandem with the obfuscation of programme risks in the public stage. The empirical contribution of this article is to show that the 'failure' of the IMF programme for Greece can be reconceptualized as 'success'. The immediate goal of the programme was to bailout Greece's creditors and avoid the breakup of European monetary institutions. In this respect, the programme was successful. But success came at a huge cost for Greece. Analytically, this article suggests that knowledge procurement based on empirical fact-gathering is not always the ultimate goal of international organizations and the communities of experts working within them.

Keywords: International organizations, risk ignorance, anticipatory knowledge, Eurozone debt crisis, Greece

Introduction

When the International Monetary Fund (IMF) mission landed in Athens on 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

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made a formal request for assistance and the IMF would negotiate the terms of the programme with EU authorities. The size of the IMF's commitment was another hint that the programme 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 rules. Perhaps the most remarkable feature of the programme was its colossal failure: with a record high 180 per cent debt-to-GDP ratio, Greece today continues to battle insolvency, eight years after the first rescue programme was drafted.

The dismal performance of the programme is now widely acknowledged by economists and financial analysts. And yet, many questions remain controversial: What was the meaning of the IMF involvement? Why wasn't the Greek debt immediately restructured? And, who benefited from the failed programme? Debates surrounding the Greek programme took an epistemic turn when critical voices emanating from the IMF began to be heard. Documents leaked in 2013 revealed that many directors stood up against the terms of the Greek programme when it was approved at a contentious board meeting in May 2010.[2] In a statement that left many perplexed, the IMF chief economist made public admission that prescriptions of austerity relied on defective calculative components (Blanchard and Leigh 2013). Evidence of conflicts and errors brings additional questions: Was this admission a strategy to shift the blame around? Did the IMF management wholeheartedly believe in the programme? And, if not, why did the Fund agree to participate? 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 (Best 2014).

Recent episodes of policy failure have left social scientists struggling to grasp the epistemic component of the financial crisis of 2007–8. A recurrent trope among social scientists is to assess policy failure in ideological terms.[3] According to a commonly held view, transnational networks of experts work as 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 (Blyth 2002). Ideas like austerity, 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 reflection on the rationale for the policy or its consequences by lawmakers (Nelson and Katzenstein 2017).

According to this view, actors remain mostly unreflexive about the consequences of their action: as a rule, lawmakers stick to scripts and organizational routines without realizing the full extent of the danger looming ahead, and

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experts tend to discover the flawed components of their diagnostics long after damage is done (Barnett and Finnemore 1999). In this way, policy failures are invariably portrayed as epiphanies, as Kuhnian moments of collective lucidity during which people realize that expertise informing policy was wrong. Many narratives of the collapse of the US housing market feature regulators and real estate experts as Kuhnian scientists facing a 'paradigmatic shift' (Kuhn 1970). The same is true of experts working in international organizations (IOs) like the IMF, who are most often presented by sociologists 'as carriers of ideas and models that reside within them due to their mandate and culture, and that emanate from scientific principles' (Kentikelenis and Seabrooke 2017: 1066). 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 reckon with their errors (see also Engelen et al. 2013). This common representation of failure suggests a linear sequencing of events where (1) epistemic hubris is followed by (2) a sudden moment of collective self-questioning based on the lucid examination of new facts, which then makes possible (3) the empirical rectification of errors and the stabilization of a new epistemic convention.

This conventional representation requires a certain suspension of disbelief. We are indeed supposed to accept at face value that experts and lawmakers overlooked 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.[4] 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 defence', a legal argument to avoid conviction for acts performed by an unconscious defendant.[5] 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 McGoey 2015; McGoey 2014) 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. In the context of this paper, risk ignorance is a strategic resource for IOs to relax normal requirements of accountability (Best 2014) and legitimate controversial policy projects which would not normally be possible according to IO mandates but which are nonetheless imposed by key stakeholders. I find that IMF ignorance resulted from a joint process of 'private alteration' and

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'public obfuscation'. Private alteration means that IMF experts were far more reflexive than we currently assume about the defective components of its programme 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). In this instance, it was essential that the IMF avoided any suspicion from markets, the press and the citizenry that it operated under external pressures.

The frame of risk ignorance revisits how we understand the setting of IMF conditionality. When a country is unable to service its debt, it can turn 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.[6] Conditional lending is a social activity, which implies choice and agency. At the IMF, conditionality-setting is typically understood as an epistemic activity, shaped by internal experts and their belief systems and ideational filters (Clift 2018; Nelson 2017; Stiglitz 2002). But this reading is problematic because it assumes that IMF experts enjoy relative autonomy in their daily work. A useful counterpoint to this epistemic approach comes from studies showing the prevalence of state interests in the IO system (Knill, Bayerlein, Enkler and Grohs 2018). Powerful IMF shareholders like the US and Europe traditionally seek to influence Fund's programmes in terms of their own political, geopolitical or even military interests (Reinalda and Verbeek 1998; Stone 2002).

In this paper, I suggest a more nuanced understanding of epistemic power as enabled or curtailed depending on patterns of structural influence: when epistemic beliefs align with the interests of powerful shareholders, experts are entitled to compute scenarios autonomously. Conditionality reflects experts' contingent and controversial assumptions and the IMF can behave according to a neoliberal credo (or according to whatever belief is dominant within the Fund). But when key actors assign different values and interests to lending programmes, the setting of IMF conditionality becomes a contested process, and experts are under significant pressure to deviate from 'scientized' (Kentikelenis and Seabrooke 2017: 1065) routines in order to certify controversial lending programmes, even if they do not wholeheartedly believe in their utility.

The key contribution of this article is to show that the 'failure' of the IMF programmes in Europe can be reconceptualized as 'success' once we better understand the 'opaque' (Mallard 2014) nature of the goals which were followed by the Fund but never revealed in public. Critical accounts of the IMF programme as overtly doctrinal and informed by a neoliberal credo

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are misplaced because they miss the underlying intentions of the Fund. As I intend to show, the immediate goal of the Greek programme was to avoid the breakup of European monetary institutions. Another key goal was the bailout of Greece's private creditors, although the Fund could not acknowledge it in public, since the rescue of private institutions does not fall within its mandate. In this respect, the programme was successful as it helped save the too-large-to-fail French and German banks that were exposed to the risk of a Greek default (Varoufakis 2017). But saving the Eurozone private and public institutions came at a huge cost for EU authorities who had to shoulder the cost of bailing out large banks. The programme was also a disaster for Greece, imposing huge costs on the Greek people with little effect on restoring debt sustainability.

This article covers IMF lending programmes in Europe in 2008–13 with a special focus on the first programme for Greece.[7] Empirical data is drawn from public sources made available at the start of each programme. 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.[8] The empirical strategy I chose for this article is to make the best use of public data by tracking traces of conflicts 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 they go through rounds of internal revision before they are released for public consumption. But, as this article suggests, data sanitization is never completely effective, implying that key inconsistencies and controversies remain visible in official sources. Very much like plaque tectonics, documents of all kinds carry the traces of colliding forces and interests. To reconstitute the contested rationalities that prevailed at the time of programme conception, I applied textual analysis and interpretive techniques to identify in policy documents the sections which bear the mark of their context of production.

In the next section, I analyse the political economy of IMF conditionality circa 2008. The third section examines the legal and epistemic features of the Greek programme as an instance of risk ignorance. The fourth section assesses the costs and benefits of ignorance and a further section concludes.

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

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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. 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 militant meaning as the IMF began to prescribe more granular structural reforms in addition to long-term macroeconomic policies. Trade liberalization, privatization and deregulation became a staple of IMF programmes 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 Nelson (2017) and Stiglitz (2002). 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.[9] 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 programmes 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 programmes to restructuring. IMF loans are normally limited by quota limits that a country can receive.[10] But during the 1990s, the IMF repeatedly evoked high risk of cross-border spillover 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 finance capital flight. A problematic effect of large IMF loans was to allow 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. 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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New rules of 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 were not able to conclude that a country's debt is sustainable with high probability, restructuring was required to restore debt sustainability, upon which 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 (scientific) analysis rather than on hasty judgment and external (political) 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).

Anticipatory knowledge is a core resource in global governance. 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 policymakers can undertake (Mallard and Sgard 2016). At the IMF, the parameters of lending programmes are specified and calibrated against scenarios assessing debt trajectories. During the drafting phase of IMF programmes, scenarios of debt sustainability provide the interface where the parties involved negotiate and contractualize expectations about the lending programme. During the implementation phase, scenarios work as benchmarks to assess the country's compliance with the conditions set out in the programme. 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 matter 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 improved 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. 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'.[11] People operating on

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a narrow historical memory began to claim that the IMF had become useless in a world without crises.[12] This 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 2007–8, the IMF lost 600 staffers (20 per cent of its workforce), including experts with considerable experience in designing and running lending programmes. 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).

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

Bargaining between the IMF and EU

Soon after the collapse of Lehman Brothers in September 2008, 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 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.[13] Yet, Europe lacked experience in crisis management and EU authorities and the Fund gradually became partners in drafting rescue programmes. So long as the IMF provided the majority of funds (in Hungary and Romania, see Appendix), it dominated policy discussions and enjoyed relative autonomy in setting the terms of the programme. But where EU institutions clearly overspent the IMF, programme design became a contested activity. 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 2010b: 20, 23). Disputes with EU authorities were a warning sign of problems that the IMF would encounter in Greece.

In October 2009, virtually every aspect of existing financial troubles intensified when Greece revised its deficit projection upward from 3.7 per cent of GDP

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to 12.5 per cent. Although Greece was viewed as the 'European Lehman', EU authorities did not immediately take action. 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 the fact that Eurozone institutions lacked clear and comprehensive mechanisms of crisis management (Mallard and Pénet 2013).[14] Action was badly needed but it was unclear what Europeans could do.[15] 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 treaties and favoured an ad hoc solution. The Germans' view prevailed at a 25 March 2010 meeting and the EC began to work on a bilateral loan programme to rescue Greece without breaching EU governance rules. 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 programmes. The IMF would serve an advisory function in the Greek lending programme 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 categorization 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.[16]

The crux of the matter was that both the IMF and European authorities operated under strict internal governance rules. The dispute 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 per cent) to control the IMF's executive board, not to mention that owing to a long-standing 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.[17]

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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 could not go on silent into accepting a programme that violated internal rules. The alteration of IMF expertise in private negotiations with EU authorities required the obfuscation of programme risks in the public stage. Indeed, it was crucial for the IMF that the public notification of the lending programme for Greece included a demonstration of due diligence with respect to internal requirements against lending to insolvent countries. Did the IMF believe that the programme stood a good chance of working? A close inspection of IMF and EU policy documents suggests that consensus was not sincere but staged. Doubts and contradictions within IMF reports indicates that the design of the Greek programme was a contested exchange during which risk ignorance became a strategic resource for IMF experts to legitimate a controversial programme in which they did not entirely trust.

Cut and paste practices and strategic mimesis

Lending programmes for Greece, Ireland, Portugal and Cyprus show apparent consensus between EU authorities and the IMF. This is hardly unsurprising given that lending programmes reproduce *in extenso* documents drafted jointly by the EU and the IMF. Each lending programme contains the Memorandum of Economic and Financial Policies, a document already agreed upon by the IMF and the EU detailing macroeconomic and structural policies requested from the borrowing country. Each programme also contains a very similar Letter of Intent by which the borrowing country agrees to the terms of the programme. Finally, each programme contains a Memorandum of Understanding and Technical Memorandum of Understanding expressing convergence of will between the parties. Besides scripted documents intended to reflect consensus, each programme also includes a staff report prepared separately by the IMF and the EC. Staff reports are perhaps the most important documents featured in lending programmes because, unlike previous documents, they offer an in-house perspective on the processes of risk assessment and that underwrite any conditional lending process. A distinctive feature of EU-IMF programmes is to allow comparing staff reports drafted by separate jurisdictions for the purpose of recognizing marks of buried conflicts and competing intentions.

To measure the organizational effort to stage consensus, I uploaded the five programme documents for Greece, Portugal, Ireland and Cyprus into the software plagiarism-detection *Copyfind*. For each programme, I ran two plagiarism checks, one comparing IMF and EU full programme content, the other comparing the staff reports issued separately by the IMF and EU. The results of the first round of plagiarism checks show that between 16 and 34 per cent of the

Table I: *Results of plagiarism checks between IMF and EU programmes and programme reports*

		IMF programme	EU programme		IMF staff report	EU staff report
Greece 2010	IMF programme % *similarity with*	X	25%	IMF staff report % *similarity with*	X	3%
	EU programme % *similarity with*	27%	X	EU staff report % *similarity with*	4%	X
Ireland 2011	IMF programme % *similarity with*	X	19%	IMF staff report % *similarity with*	X	3%
	EU programme % *similarity with*	16%	X	EU staff report % *similarity with*	2%	X
Portugal 2011	IMF programme % *similarity with*	X	34%	IMF staff report % *similarity with*	X	4%
	EU programme % *similarity with*	22%	X	EU staff report % *similarity with*	3%	X
Cyprus 2013	IMF programme % *similarity with*	X	29%	IMF staff report % *similarity with*	X	4%
	EU programme % *similarity with*	17%	X	EU staff report % *similarity with*	2%	X

[a]Specifications: shortest phrase to match: 5 words; most imperfections to allow: 1; numbers and punctuation ignored.
[b]Interpretation: the IMF programme for Greece shares 25% of its content with the EU programme.
[c]Sources: IMF (2011, 2012, 2013a, 2013b, 2013a) and European Commission (2011, 2010, 2011a, 2011b, 2012).

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content of each programme is shared across the IMF and the EU (see Table I). That lending programmes have a high degree of similarity is hardly surprising given that each programme features copycat versions of documents already negotiated and agreed upon by the IMF and EU authorities. The second round of plagiarism checks on staff reports show a much lower degree of similarity. This is consistent with the fact that programme 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 programme can contractualize expectations without resorting to cut and paste practices. But plagiarism becomes useful when two organizations want to enforce mimetic behaviour (Meyer and Rowan 1977) for ceremonial or strategic purposes.

One explanation for such mimesis is the context of emergency in which programmes 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 still more experienced than the EC to negotiate a lending programme 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 mimesis 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, and that it had more strategic than ceremonial value. Yet, the Fund's effort to erase all doubts from the public stage was not entirely successful.

Gaps and glissandos

The staging of the programme'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 staff reports. A first contrast in the EC's and IMF's understanding of risk was how they computed

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scenarios of debt sustainability. The IMF and EC used a similar baseline scenario to project that the Greek debt would peak at 149 per cent in 2012–13 and decline to 139 per cent in 2015 and 120 per cent 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 per cent), the IMF assessed the 'sensitivity' of the scenario against the prospect of 'unsustainable dynamics' ensuing from a fiscal shock (IMF 2011: 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 (Figures I and II).[18]

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).[19] The programme obliged Greece to undertake austerity measures of a magnitude unseen before in the history of structural adjustments.[20] Just like in Latvia, the lending programme was designed for a country precluded from devaluing its currency and expanding the monetary supply. Absent monetary levers to restore competitiveness, the adjustment had to rely 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 clearly not the words that a party convinced of the benefit of the programme would have used. Such qualifiers are absent from the EC report. Considering the historical preference of the IMF for austerity programmes (Nelson 2014), it is also paradoxical that it was the IMF which was quicker to acknowledge the hardship of the programme on the Greeks.

Figure I: *EC's two scenarios for Greece. Source: European Commission (2010: 30)*

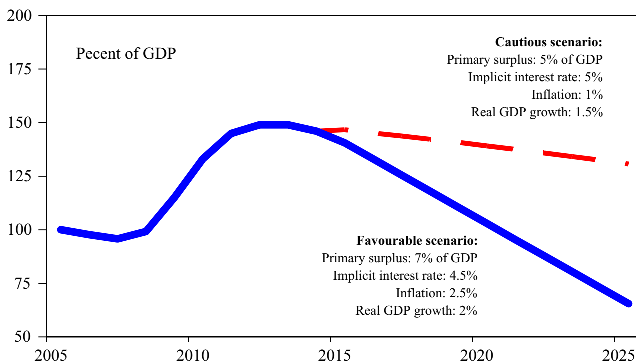

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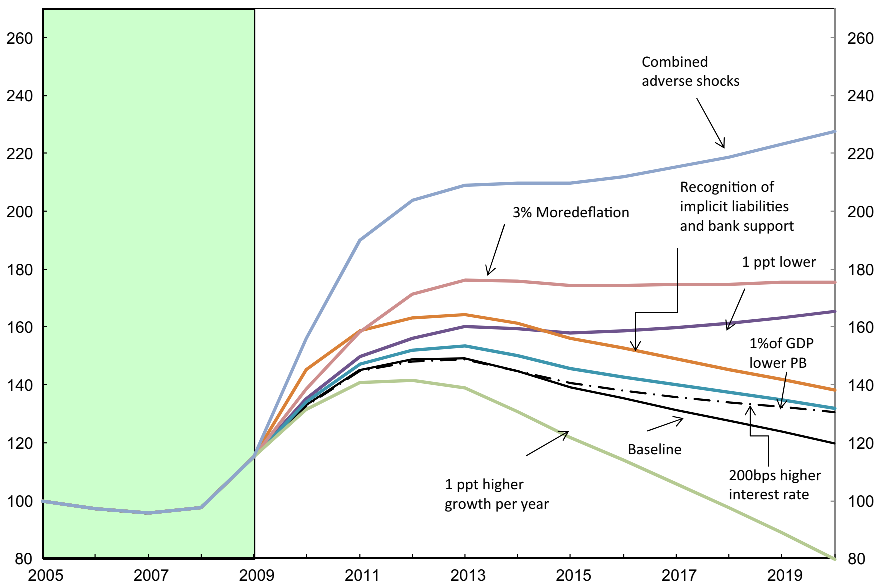
Figure II: *IMF's eight scenarios for Greece. Source: IMF (2010a: 36)*



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.[21] In contrast, the EC reported that the parameters of the programme reflected prudent assumptions and even envisaged that Greece could fare better than expected (see section A in Table II).

At €30 billion, equivalent to an *unprecedented 3,200 per cent* quota – well in excess of the amount the IMF could pledge (see note 10), the Greek programme was the largest the IMF had ever made. In March, IMF expert had not found Greek debt sustainable with a high probability. In May, the IMF report continued to raise significant concerns about the risk of the programme. How could the IMF approve a programme 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 II, 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 programme. Fundamental contradictions also surfaced *within* the IMF reports in connection with the matter of debt sustainability (Table II, 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 programme risks. On the one hand, the IMF writes that

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Table II: *How the IMF and EC write: a comparison*

	IMF report	EU report
A	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 very high (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 significantly worsen under weaker economic growth, lower inflation, or higher real interest rates. (pp. 19-20)	Experience shows that expenditure-based consolidation 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)
	IMF systemic exemption	
B	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)	
	IMF contradictions	
C	With disciplined program implementation, Greece's debt is expected to be sustainable in the medium term, and its repayment capacity to be adequate. (p. 20)	Growth may be weaker than projected. Given the size of adjustment effort . . . Greece may experience a deeper upfront contraction. 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 extraordinary in terms of the scale of planned adjustment and the comprehensiveness of reforms. . . The fiscal program is impressive. The scale and the frontloading of the adjustment are unprecedented. . . The adjustment that lies ahead will be socially painful. (pp. 22-24)

[a]Source: IMF (2010a) and European Commission (2010).

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'With disciplined program implementation, Greece's debt is expected to be sustainable in the medium term, and its repayment capacity to be adequate' (IMF 2011: 20). Here the IMF clearly exploited the grey area in DSA between 'high' and 'not high' probability to justify the programme. In other portions of the report the IMF is far less categorical.

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 programme. 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 programme 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, programme risks were 'high' in Ireland (IMF 2012: 1), 'immense' in Portugal (IMF 2013a: 9) and 'substantial' in Cyprus (IMF 2013a: 13). But despite doubts, these programmes do not register the same level of tension between the IMF and EC as in the Greek programme. In these programmes, 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 programme coordination (IMF 2011: 22). This is a serious admission that does not appear in later programmes for Ireland, Portugal and Cyprus, suggesting that the Troika was able to iron out differences in drafting lending programmes for these countries. Ultimately, the gap between projected and actual debt scenarios was higher in Greece than anywhere else.[22]

Traces of doubts and conflicts lodged into Greek programme documents provide evidence of pressures exerted by powerful shareholders on experts: EU authorities 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. Despite an early attempt to reject IMF participation without restructuring, IMF staffers gave way and DSA rules were breached. If DSA 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 suggests that IMF experts did not compute scenarios against the macroeconomic profile of the country or projections about debt sustainability. The Greek programme inverted the 'normal' direction of fit between expertise and policy: instead of IMF expertise certifying projects, expertise became the variable of adjustment to EU lawmakers' strategic interests to lend. IMF expertise was calibrated for its effects on policy, not the reverse. The role of IMF experts in the Greek programme is

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one in which experts' chief task is to make credible a programme 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.[23]

The costs and benefits of risk 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 programme. While all European countries (except Switzerland) endorsed the programme, members representing Brazil, Russia, India and China opposed the programme. 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.'[24] The Swiss director René 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 programme seemed less about Greece and more about Europe. Brazil's executive director Paulo Nogueira Batista called into question the real motives of the programme: 'It may be seen not as a rescue of Greece […] 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 programme.

For Greece's creditors, the consequences of the programme 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 (Varoufakis 2017). For EU authorities, the programme 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 new negotiations to reduce Greek debt began in 2012, 65 per cent of Greek debt was owed to the IMF and Eurozone taxpayers instead of banks and hedge funds, which had drastically cut their exposure to Greek debt in the two years following the adoption of the first programme. For Greece, the IMF-EU lending programmes have produced disastrous results. While banks left mostly

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unscathed from the crisis, the Greek economy has been significantly and durably undermined with little prospect of recovery some eight years after the first programme. The lending programmes extended to Greece since 2010 have 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 continued to remain unsustainable. Greece lost twice as it was forced to absorb the cost of bailing out banks and the cost of the failed programme.

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 programme 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 programmes were only postponing the inevitable. The realization that the sacrosanct Eurozone rules did not work occurred 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.[25] Perhaps the IMF's biggest error was not the conditional features of the programme but to have bowed to European pressure and, in doing that, delayed the resolution of the crisis.

In a devastating report, the IMF has assessed its own Greek programme as a 'holding operation' to give EU authorities time to react (IMF 2014: 28). In January 2016, the IMF adopted new DSA rules in an effort to reclaim autonomy in programme 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 risk knowledge. Measuring debt sustainability is not like measuring temperature or atomic weight, it requires judgment. Making such

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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 the IMF will again not yield to the temptation of settling conflict by bending expertise.

Conclusion

This article has analysed the failure of the IMF programme for Greece as an instance of risk ignorance. 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 programme were less about the Fund's complacency vis-à-vis neoliberal beliefs, as studies emphasizing epistemic hubris have it, and more about fantastic contradictions in the IMF mandate between rules and discretion, a divided IMF staff and a divided Board, with the upper management echelons (in particular, the Director of the Fund) pressuring the more technical echelons of the Fund's staff to accommodate the requirements of European shareholders, against the advice of member states from the Global South.[26] With European legal and political uncertainties intruding in the design of lending programmes, IMF experts were under constant pressure to acknowledge the practical consequences of their diagnostics on the future of Europe. For the IMF, to participate in the lending programme coordinated from Brussels and Frankfurt implied that the Fund behave as a European institution.

The frame of risk ignorance revisits how we understand the role of expertise in policymaking and how risk assessment techniques get corrupted or undermined. IMF experts did not 'miss' the important fact that Greece was insolvent. In fact, the IMF had correctly anticipated that Greek debt was not sustainable with a high probability and therefore had to be restructured. But Greece's insolvency was an inconvenient truth that had to be erased from programme documents. The IMF programme for Greece was destined primarily to rescue European banks and save the Eurozone rather than Greece – a point that is now emphasized by insiders in subsequent negotiations (Varoufakis 2017), and which is confirmed in the analysis here. After the alteration of IMF's scenarios of debt sustainability in private negotiations with EU authorities, the IMF staff played a key role in giving credibility to this cover-up by obfuscating programme risks in the public stage in order to present rescue packages as having a positive impact on Greece's economic growth.

This article offers three contributions to scholarship on IOs. First, it suggests that IOs' ambiguous mandate make them prone to risk ignorance. For as long as the IOs remain under the influence of their powerful state shareholders, risk ignorance will remain a strategic resource in programme design. One

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conclusion of this article is that when experts are enlisted as governance bodies, they begin to behave as government bodies, trading accuracy for ignorance when the latter serves useful strategic purposes (see also Pénet and Mallard 2014).

Second, I show that internal rules have neither increased nor decreased IOs' autonomy but altered the modality of discretionary influence. In a contested policy context, epistemic conventions are often curtailed as sites of knowledge production become the main 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. Ultimately, knowledge procurement based on empirical fact-gathering is *not always* the ultimate goal of IOs and the groups of experts working within them. In that, the frame of risk ignorance intersects with research on 'agnotology' (Proctor and Schiebinger 2008) and organized hypocrisy (Weaver 2008).

Third, the original aspect of this study was to document the empirical procedures that IOs use to ignore and assess their real-world effects. In particular, the use of cut and paste practices to produce strategic mimesis between organizations with different interests, deserves special attention in the literature on IOs. As the recent European controversy about the regulation of glyphosate suggests, such cut and paste practices provide a pervasive method of risk ignorance.[27]

Risk ignorance can only work if it is carefully wrought by experts (Heimer 2012; McGoey 2012). 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 public debate was taken in by it. Critical assessments of the 'failure' of IMF experts spoiled a productive critique of Eurozone rules of risk management.[28] 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 public realization that the Greek programme was less about rescuing Greece and more about rescuing banks. Social scientists rushing to present the failure of austerity as the failure of 'dangerous' economic doctrines (Blyth 2013) achieved exactly that. The lack of sociological investigation of policy documents might be an important explanation of why scholars fell short on taking up important stories beyond the frame of hubris and complacency.

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APPENDIX.

SELECTED IMF PROGRAMMES IN EUROPE

	Year	Report approved by	Time frame	IMF contribution (in € billion)	EU contribution (in € billion)	IMF contribution (% total)	Total sum	Initial debt (% GDP)
Hungary	2008	Ajai Chopra Adnan Mazarei	17-month	12.5	6.5	62.5	20	73
Latvia	2008	Anne-Marie Gulde-Wolf Tessa van der Willigen	27-month	1.5	5.3	20.0	7.5	19.8
Greece	2010	Poul Thomsen Martin Muhleisen	36-month	30	80	27.3	110	145
Ireland	2010	Ajai Chopra Martin Mühleisen	36-month	22.5	45	26.5	85	87
Portugal	2011	Poul Thomsen Martin Mühleisen	36-month	26	52	33.3	78	111
Greece	2012	Reza Moghadam Lorenzo Giorgianni	48-month	28	144.7	16.2	172.7	175.1
Cyprus	2013	Ajai Chopra James Roaf	36-month	1	9	10.0	10	111.7

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

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Notes

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2. *The Financial Times*, 'IMF Document Excerpts: Disagreements Revealed', 7 October 2013.

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).

4. *The New York Times*, 'Greenspan's Mea Culpa', 23 October 2008.

5. A similar sleepwalking argument was used by Ralph R. Cioffi and Matthew M. Tannin – two hedge fund managers accused of misleading investors about the health of their funds before the subprime debacle – to convince jurors that the losses resulted from bad investments and that making bad investments was not a crime. In 2007, Cioffi and Tannin moved millions of their own money to less risky assets while nonetheless assuring their investors that the funds were sound. Despite email messages showing they knew their investments were souring, the managers were acquitted. I am grateful to a reviewer for calling this case to my attention.

6. The World Bank, regional development banks and bilateral organizations also use conditionality frameworks in their country financing operations (Babb and Carruthers 2008).

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

8. Interviews with powerful actors could have been a useful empirical strategy to obtain confirmatory statement and find out about what is not publicly known. Yet, in this case, the biggest problem is information retention: 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 2016: 9).

9. Debt relief can take the form of upfront debt restructuring or currency devaluation.

10. Cumulated loans available cannot exceed 300 per cent of the capital pledged by country members. In 2009, the cumulative limit was doubled at 600 per cent.

11. *The Washington Post*, 'IMF Has No Crisis to Manage', 15 September 2006.

12. *The Economist*, 'Not Even a Cat to Rescue', 20 April 2006.

13. Hungary sent a request for assistance in October 2008. Ukraine and Iceland followed in late 2008. In early 2009, the IMF received additional applications from Belarus, Latvia, Serbia and Romania.

14. 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.

15. 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.

16. According to one of Blustein's interviewees, the ECB president 'blew up': 'We are an economic and monetary union, and there must be no debt restructuring!' '[Trichet] was shouting' (Blustein 2016: 11).

17. A desire to get back to work after years of inactivity was an important reason. The IMF's Internal Evaluation Office reports that

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the prospect of participating in the financial rescue of Greece was a source of 'much excitement by many at the IMF' (IMF 2016b: 18).

18. The IMF actually nicely anticipated Greece's actual debt trajectory in its second-to-worst '3% More deflation' scenario (see Figure II). But this was not the scenario that served as the baseline for programme conditions.

19. Quotes with parenthesized page numbers are taken from the IMF report (2010a).

20. The programme projected public cuts and tax increases amounting to 7 per cent and 4 per cent 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.

21. 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*.

22. According to the EU-IMF baseline scenario, the Greek debt was projected to peak at 149 per cent in 2013 while the actual debt was 177 per cent (18 per cent higher). The Portuguese debt was expected to peak at 115 per cent in 2013, it stabilized at 129 per cent in 2015 (+12 per cent higher). The Irish debt peaked at 120 per cent in 2013 and declined after, as expected in EU-IMF projections. Cyprus debt was expected to peak at 126 per cent in 2015. It was in fact 109 per cent (14 per cent lower).

23. If IMF experts pursued ignorance, why, then, did they leave traces of conflict in paper trails? It 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.

24. Quotes of IMF directors are taken from 'IMF Document Excerpts: Disagreements Revealed', *Wall Street Journal*, 7 October 2013.

25. For instance, the US 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.

26. As my comparative analysis of EC and IMF reports suggests, tensions and conflicts peaked during the drafting of the Greek programme. IMF experts had more autonomy when drafting the programmes for Ireland, Portugal and Cyprus.

27. *The Guardian*, 'EU Report on Weedkiller Safety Copied Text from Monsanto Study', 15 September 2017.

28. The issue of political interference in internal IMF affairs has been covered in specialist literature (Blustein 2015), a recent IMF report (IMF 2016b) and in Varoufakis' pamphlet (2017: 26). But this issue has not yet been the subject of sociological inquiry.

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