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Financial Media and the Politics of Difference:
Argentine Histories of the Greek Debt Crisis, 2010-2015

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Abstract

This article examines financial media discourses and representations of the Greek debt crisis from 2010 to 2015. The analysis is based on financial media texts published by six major news outlets in the United States and the United Kingdom. This paper argues that the Anglo-American media generated a financial discourse of the Greek debt crisis based on an analogical framework to contemporary Argentina. The discussion highlights three aspects of this media discourse: the classification of the unfolding crisis type (liquidity, solvency, or political), the use of Argentine financial histories to understand the crisis type and predict its possible futures, and the modes of financial difference and sameness posited between Argentina and Greece. This article contributes to the global study of financial cultures by highlighting the politics of geo-cultural difference making that informs media financialization. The Argentina-Greece analogy becomes a proxy for the formation of European selfhood in relation to Latin American otherness.

Keywords: Finance, Media, Financial Crisis, Neoliberalism, Argentina, Greece

Scholars have often conceptualized financialization in terms of the increasingly powerful role played by financial markets, services, and technologies within the global capitalist economy (Krippner, 2012; Leyshon and Thrift, 2007; LiPuma and Lee, 2004). A growing interdisciplinary body of research, however, has shown that financialization also includes the expanding footprint and influence of the financial media in the global public sphere (Chakravartty and Schiller, 2010; Clark et al., 2004). The financial media has sought to legitimize the workings of a global financial system predicated on neoliberal principles: the deep-rooted belief in the pro-growth and pro-social outcomes of liberalization, privatization, deregulation, and labor flexibilization (Greenfield and Williams, 2007; Thompson, 2009). The media's defense of neoliberal ideology has become increasingly important with the growing consequence of political movements that foreground national sovereignty and reject assumptions regarding the value and desirability of free trade and unrestricted capital flows. Though right-wing authoritarianism has received much scholarly and popular interest of late, the "New Left" in Latin America—diminished, to be sure, these days—has articulated anti-neoliberal creeds of various kinds for nearly two decades (Mendoza, 2018; Robinson, 2010).

This article examines Anglo-American financial media discourses of the Greek sovereign debt crisis. A sovereign debt crisis refers to a situation in which a country risks failing to repay its debt obligations to creditors. Such a crisis is a high-risk affair for bondholders—who potentially stand to lose all or part of their investment—and for the indebted country, which may be blacklisted from credit markets or face punitive structural adjustments (Reinhart and Rogoff, 2011). Within a global financial system in which American and British capital wield tremendous power (French et al., 2009), it behooves scholars to consider how the Anglo-American financial media interprets and responds to financial crises. Our discussion focuses on the period from 2010-2015 when the Greek government was viewed as a significant default risk and negotiated three emergency loan packages with a "Troika" of financial actors: the European Central Bank (ECB), the European Commission (EC), and the International Monetary Fund (IMF). In return for granting loans and staving off default, the Troika required Greek administrations to enact austerity measures—sharp spending cuts, the privatization of public assets, and labor reforms—in an effort to produce a fiscal surplus, deflate wages, and slow the rate of debt accumulation (Knight, 2015).² Though the Greek situation was its chief object of analysis, the Anglo-American media foregrounded the financial history of a second country as vital to understanding the unfolding debt crisis. The media turned to Argentina, and its history, to classify and explain different periods of the Greek sovereign debt affair and to anticipate possible futures deriving from the actions taken by the Troika. Why Argentina, though? What does an analysis of the Argentina analogy reveal about the global politics of media financialization?

This paper argues that the Anglo-American media generated a financial discourse of the Greek debt crisis based on an analogical framework to Argentina. This media discourse entails distinct "crisis narratives" (Roitman, 2014, p. 41). Models regarding how to interpret crisis, these media narratives have helped stabilize the opacities, uncertainties, and shifting dynamics surrounding the Greek situation. Our discussion highlights three aspects of the Argentina-Greece analogical framework based on narrative models of crisis: 1) the consensus positions taken regarding how to classify the type of crisis that is occurring; 2) the selective use of Argentine financial histories to understand the unfolding crisis and to predict its possible futures; and 3) the modes of financial difference and sameness posited between Argentina and Greece. The Argentina-Greece analogy becomes a proxy for the media to examine, define, and control the interactional space that exists between Latin America and Europe as cultural, moral, and

economic entities. The Anglo-American media generates financial narratives that reproduce trans-Atlantic geo-cultural differences and defend the values of neoliberal capitalism against the anti-austerity and anti-neoliberal forces plaguing Latin America and threatening Europe. After discussing our research methods and the politics of geo-cultural difference, the article examines the Argentina-Greece analogical framework across the first, second, and third bailout periods.

Research Methods

The empirical basis of this article rests on a content analysis of financial media sources from the United States and United Kingdom. This involved the coding and examination of news articles pertaining to both Argentina and Greece from the beginning of January 2010 through the end of September 2015. The researchers selected this timeframe to cover the three emergency loan agreements that were brokered in May 2010, February 2012, and July 2015, as well as the build up to and aftermath of these negotiations. The researchers selected media sources in the Anglo-American world: *The Wall Street Journal*, *The New York Times*, *The Washington Post*, *Financial Times*, *The Times*, and *The Guardian*. These six dailies produced: 1) news articles by financial, business, and economic journalists; 2) editorials; and 3) op-ed articles by central bankers, hedge fund managers, scholars, and public intellectuals, among others. By selecting these newspapers of record, the researchers sought to capture a variety of perspectives comprising the hegemonic common sense that informed narrative models of crisis.

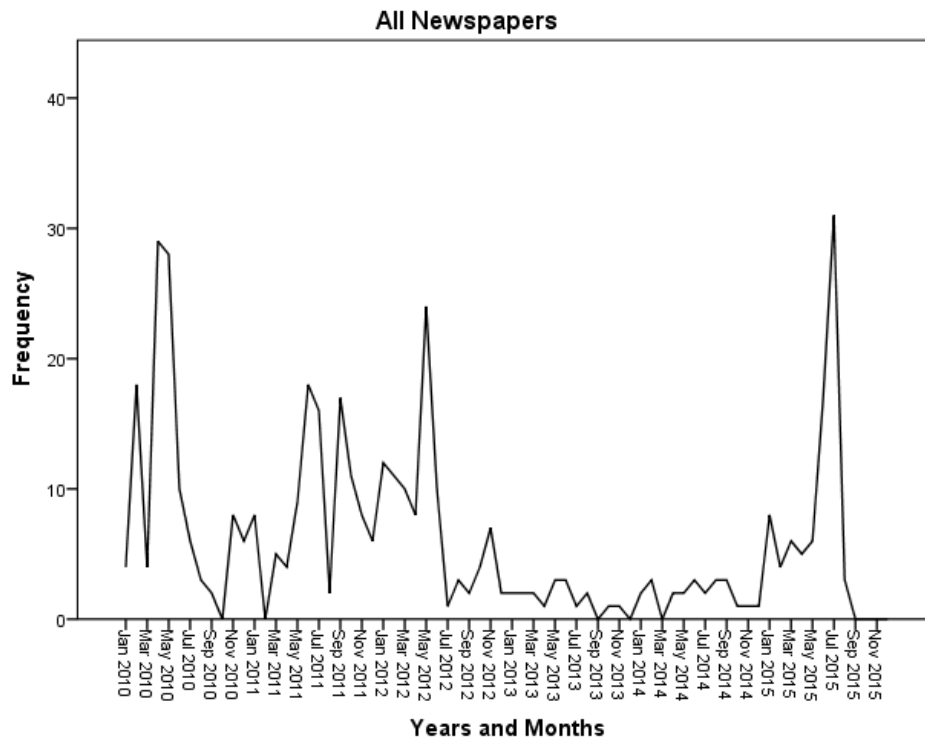


Figure 1: Argentina-Greece Comparisons in Anglo-American Financial Media (n=436)

To gather media data, the researchers utilized Lexus Nexus Academic searches. There were a number of countries and other entities to which Greece was analogized during the debt

crisis, such as Russia, Venezuela, Spain, and Lehman Brothers. However, Argentina provided a consistent point of reference and comparison for the financial media across the entire study period. The researchers used qualitative data software to store, code, and analyze the relevant documents. An article's relevance was established when meeting two criteria: 1) it involved a discussion of Greek economic issues; and 2) identified a connection or comparison to Argentine economic affairs. The coding of relevance established the analogical salience of Argentina as a country whose history was viewed as significant by the financial media to understanding the Greek debt crisis. Figure 1 displays the frequency of Argentina-Greece comparisons across the selected timeframe. There were 436 articles coded as relevant. The graph shows how the Argentina-Greece comparison varied temporally, becoming most salient immediately before, during, or after the three loan negotiations.

Beyond establishing the salience of the Argentina-Greece analogy, the researchers coded the data using a "grounded theory" approach to create inductive categories and themes for qualitative analysis (Bernard, 2011). The researchers examined three facets of the analogy: 1) the crisis type used to identify the Greek debt situation; 2) the Argentine histories employed to establish the crisis type; and 3) the cultural, moral, and economic meanings grounding this trans-Atlantic comparison. The first aspect involved attention to how the financial media represented the Greek economic situation and relevant factors linked to the debt crisis, such as banking system insecurity, government debt load, and labor union militancy, among others. The second domain related to how the media depicted recent Argentine history, particularly the neoliberal-friendly Carlos Menem administration (1989-1999), the Argentine sovereign debt crisis (2001-2002), and the anti-neoliberal Néstor Kirchner (2003-2007) and Cristina Fernández de Kirchner (2007-2015) administrations. Thirdly, we scrutinized the cultural values, moral judgments, and economic arguments enlisted to delineate how Argentina and Greece represented deviations from how global markets should ideally operate. This framework established geo-cultural differences and similarities between Argentina and Greece, respectively, as representatives of Latin America and Europe.

Financial Media and the Politics of Geo-Cultural Difference

Scholars have increasingly scrutinized the workings and worlds of global finance and financialization. Some have provided ethnographic accounts of financial trading (Appadurai, 2016; Miyazaki, 2013; Zaloom, 2006), the gender politics of Wall Street (Fisher, 2012), and investment banking (Ho, 2009). Others have explored the performative power of economic models to make existing markets better conform to the ideals of how abstract markets should operate, as developed by mathematicians and financial engineers (Callon, 1998; MacKenzie, 2008; MacKenzie, Muniesa, and Siu, 2008). The world of global finance depicted by the social studies of finance literature is one peopled by professional investors, analysts, and regulators. Curiously, the financial media has received little sustained discussion as an institutional actor that shapes the public meaning of financial markets.

This article engages with an emerging interdisciplinary field of financial media studies.³ Shiller (2002) highlights the longstanding interrelation between the media and finance, a less than felicitous coupling that has facilitated irrational exuberance and the periodic emergence of speculative bubbles (also see Davis, 2006). This coupling of media and finance greatly expanded in the 1980s and 1990s with the growth of financial media conglomerates in the Anglo-American world, which worked to create mass audiences for financial news and entertainment (Clark et al.,

2004). Media conglomerates had key impacts on burgeoning financial markets supercharged by deregulation and liberalization. Clark, Thrift, and Peck (2004) argue that the financial industry became increasingly subject to the media's scrutiny, analysis, and interpretive framing of the value of financial products. The financial media provides observers, investors, and traders with real-time pricing information, while occupying a strategic position as an aggregator of market sentiment and a purveyor of metadiscourses imparting meaning to market movements. Thompson (2009) conceptualizes the financial media as instrumental to the performative construction of the very market reality it purports to analyze and objectively report. However, the media also engages in processes of reification that render opaque the values, assumptions, and judgments that underlie the operation and design of markets, while "reinforcing the prevailing discourses that legitimate particular financial policy paradigms" (Thompson, 2009, p. 85).⁴ Indeed, Greenfield and Williams (2007) discuss how the media has sought to reject Keynesianism and promote neoliberal financial rationality based on shareholder value, self-responsibilization, and faith in the wealth-creation powers of the market. Chakravartty and Schiller (2010) discuss the symbolic violence implicit to the financial media's commitment to neoliberal rationality, highlighting its pronounced classism, its erasure of subaltern voices, and its legitimizing of the unequal impacts of globalization.

This interdisciplinary literature on financial media has tended to focus on countries in the global north and avoid discussion of the politics of national representation. Scholars have yet to centrally consider how Euro-American media industries frame the financial actions of foreign countries, particularly those in the global south.⁵ Indeed, researchers need to situate the media's ideological practices—for instance, promoting and defending neoliberal capitalism—within a wider analytic framework sensitive to global north-south divisions. The financial media engages in practices of difference making that position Euro-America in opposition to other regions within the world, constructing notions of legitimate and illegitimate economics tethered to assumptions about modernity, affluence, and development. These media practices intersect with efforts to fashion the "West"—as geo-cultural construct—in opposition to the "non-West" (Buruma and Margalit, 2004; Coronil, 1996; Escobar, 1995; Said, 1994).

Our discussion highlights how the financial media generated three narrative models about the Greek debt crisis. First, a "liquidity crisis" refers to a debt situation in which the country has short-term financing problems that hold up payments to creditors. Second, a "solvency crisis" involves a debt situation in which the nation has deep, structural financing problems; its debt load has become "unsustainable." Third, a "political crisis" refers to a debt situation in which the indebted country has acquired a stigmatized, pariah, or counter-normative political status. As we show, the financial media represented the Greek situation in 2010 as a liquidity crisis, in 2012 as a solvency crisis, and in 2015 as a political crisis. Beyond simply classifying the type of debt crisis that was occurring at a particular moment, the media utilized the financial history of Argentina to imagine the possible futures awaiting Greece. As a so-called "pariah" nation within financial markets, Argentina became the central foil for the media to show the Greek nation, the Troika, and the EU what might happen if the Greek government adopted illiberal—or anti-neoliberal—policies, failed to pursue radical measures to reduce its debt load, or defaulted on its loans. The future of the Eurozone hung in the balance based on the degree to which Greece rejected the Argentine historical example. As the financial discourse evolved from 2010 to 2015, however, media representations of Argentine history began to consider new perspectives that contravened the strictly negative depiction of this "pariah" nation. A small camp of positive portraits challenged the hegemonic notion that Argentina was an example to avoid at all costs.

As a contribution to the global study of financial cultures, this article highlights the politics of geo-cultural difference making operative within Anglo-American financial media discourses. The financial media plays a key role in defending neoliberal principles and identifying threats to hegemonic beliefs about how markets should operate. In doing so, the financial media draws upon and reproduces conceptions of European selfhood and Latin American otherness. The legitimation of neoliberalism thus becomes attached to ontological definitions of European selfhood. The Anglo-American media formulated the Greek financial discourse not only as a problem of debt repayment, but also as a geo-cultural crisis threatening the Eurozone. The Eurozone stood to lose a member nation if the Greek government took the radical steps of defaulting on its debt or giving up the euro for the drachma in order to devalue its currency and regain its competitive standing. To dramatize this threat of “Grexit” (Greece’s exit from the Eurozone), the financial media fetishized Argentina as a master symbol of otherness that Greece stood to become. The media highlighted the seemingly problematic ways in which these two countries were similar. This created a narrative space of promiscuous association between Greece, as European self, and Argentina, as Latin American other.⁶ At the core of media concerns with Argentina were problems of illiberal populism, debt default, and an economic agenda heavily critical of neoliberal capitalism. Equally problematic was that the Argentine economy grew rapidly during the anti-neoliberal Kirchner (2003-2007) and Fernández de Kirchner (2007-2015) administrations. Indeed, the potential success of a “post-neoliberal” economic agenda (Mendoza, 2018) constituted a significant threat for many within the Anglo-American financial media. The media thus sought to police the divide between the European self and the Latin American other to reaffirm the values of neoliberal capitalism and combat the rise of heterodox economics.

Liquidity Crisis: Illiberal Argentina and the First Bailout

In January 2010, EU ministers excoriated the Greek government for deliberately misrepresenting its fiscal deficit and debt load. These problems came to light after the newly-elected socialist government, led by George Papandreou, made public these errors in late 2009, changing its 2010 fiscal deficit projection from 3.7 to 12.5 percent despite carrying a debt load that was already 136 percent of GDP (Phillips, 2015; Willis, 2010). As a result, the Greek government saw a rise in its bond premiums and experienced a credit rating downgrade. Across the ocean in Argentina, the Cristina Fernández de Kirchner administration was grappling with accusations of manipulating data published by the national statistics bureau, INDEC. By lowering the official rate of inflation, INDEC saved the Argentine government money on inflation-indexed bonds (Richardson, 2009). It was during early 2010 that the financial media began to fixate on a question that would recur across the next five years: Is Greece the new Argentina? As it began to construct the analogy to Argentina, the financial media developed a dominant classification of the Greek debt situation as a liquidity crisis. To draw out the possibilities awaiting Greece, the media turned to Argentine financial history, focusing primarily on illiberal government, its 2001-2002 debt crisis, and its stigmatized standing in global credit markets. The media employed Argentina as a pariah other to position Greece on the edge of Eurozone exclusion and to conjure the fate in store if it failed to become a disciplined capitalist state.

The narrative model initially constructed by the media worked to stabilize specific categorizations of the unfolding Greek crisis. In the months before and after what would be

called the “first bailout deal,” the Anglo-American media framed the matter as a “liquidity crisis” (see Figure 2). According to this model, the Greek government faced a financing squeeze that prevented it from servicing its debt and making payments to creditors in a timely fashion. Among these Anglophone newspapers, there was a convergence of judgment as to the type of debt crisis that was unfolding, though there were counter-positions staked out as well; a small group argued that the situation was a more serious “solvency crisis.” Rather than an accurate depiction of an existing financial reality, the model of the liquidity crisis instead signaled the clustering of belief around a hegemonic framework that could be used to render the crisis intelligible and thus actionable.

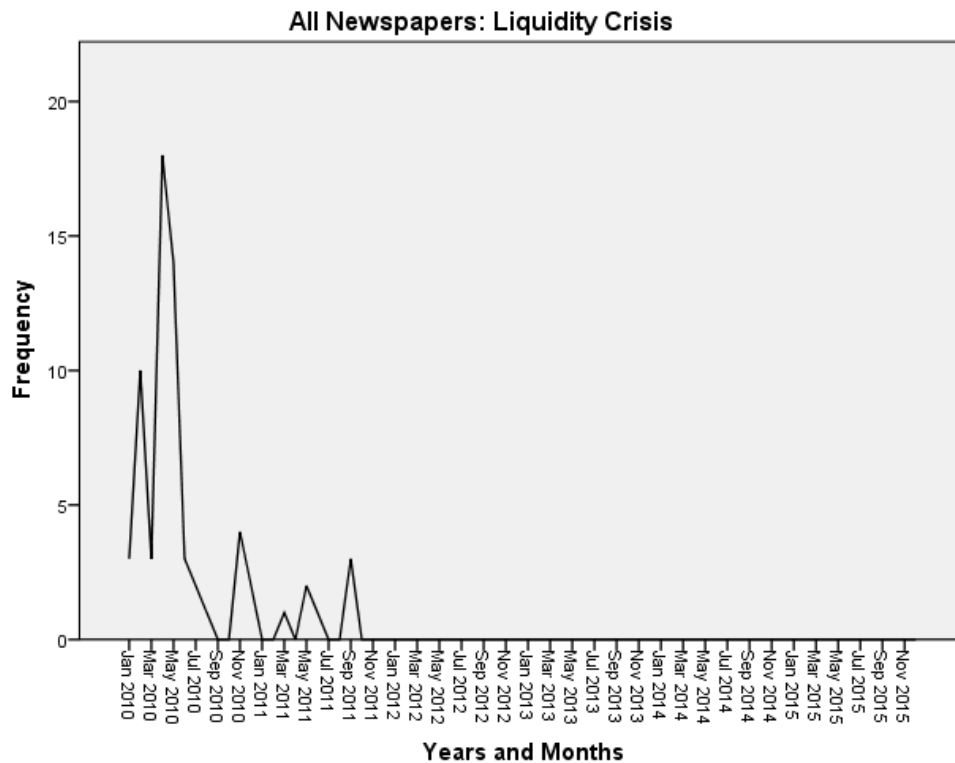


Figure 2: Financial News Articles Identifying a Liquidity Crisis (n=67)

This financial media discourse based upon the model of a liquidity crisis drew upon various histories of Argentina. The most salient history enlisted by the media was that of Argentina’s sovereign debt crisis, the height of which was 2001-2002. Throughout much of the 1990s, the Menem administration (1989-1999) in Argentina had actively pursued a neoliberal approach based on the privatization of state companies and assets, the liberalization of the economy, and the deregulation of financial and labor markets (Lewis, 2009). Indeed, the Menem administration was viewed as the poster child for neoliberal reform throughout Latin America and received IMF loans while implementing structural adjustments (Stiglitz, 2003). By late 2001, however, the Argentine economy had gone through three years of painful depression and the government stopped servicing its debt, triggering the largest default in world history at the time. The default became one component of a much larger national crisis that involved a bank run, the ending of a one-to-one currency peg with the U.S. dollar, devaluation, national protests, and the elevation of four different presidents in the span of two weeks (D’Avella, 2014; Lewis, 2009).

To understand what went wrong in Argentina, the media framed the matter as an issue of illiberal government. The financial media represented the Menem administration as having erred from the path of the neoliberal orthodoxy prescribed by the IMF. Though viewed as a success case for neoliberalization in Latin America during much of the 1990s, the Menem government became known for its profligate politics, at least according to the revisionary history circulated by the Anglo-American media in 2010. The administration's spendthrift ways undermined its ability to meet the fiscal austerity and debt reduction targets imposed by the IMF. This resulted in an unsustainable model of ballooning deficits and debt once a severe depression began in 1998. More problematically, the Argentine government engaged in a form of debt extortion based on the threat of economic collapse. As Beattie (2010) commented in the *Financial Times*: "On the way to the world's biggest sovereign default in 2001, Argentina managed to extract misconceived IMF loans with the implied threat that the fund would be blamed if it pulled the plug." Not only did it fail to impose the disciplined market measures mandated by the IMF, the Argentine state also used its crisis situation in an ostensibly corrupt fashion to extract greater sums of money.

The media also identified Argentina as a stigmatized nation-state, due to the aftermath of its sovereign debt default. The caretaker Duhalde (2002-2003) regime and then the elected Kirchner administration (2003-2007) began to renegotiate the terms of debt repayment to creditors. In particular, President Néstor Kirchner successfully moved to significantly cut down the size of the debt through hardnosed negotiations with the IMF and bondholders (Wylde, 2012). The media characterized the debt write-down as a "savage" (Oakley and Sakoui, 2010) outcome that transformed Argentina into a financial pariah. As a result of its severe treatment of bondholders, Argentina had "effectively been frozen out of the world markets for the past nine years" (Wray, 2010). For many in the media, this was a just punishment inflicted on a country that flouted the legal obligations and moral principles implicit to the duty to repay one's debts (Graeber, 2011). Moreover, the financial media drew attention to the liminal position of Argentina—as one of the richest countries in the world during the early twentieth century—between Latin America and Europe. Implicit to this media narrative was the assertion that Argentina experienced a sharp decline and fall from developed nation status to retrograde standing even within Latin America. Though considered to be culturally and racially similar to southern European nations like Italy and Spain, Argentina had instead ended up much closer to outcast nations like Venezuela.

The media thus formulated a discourse whereby the European self could be understood in antithesis to Argentina as an illiberal, pariah other. This discourse of Argentine history became the context in which the media positioned the potential consequences of the liquidity crisis facing the Greek government and the EU. The media characterized the Greek government as having two options: 1) securing an emergency loan package to stave off the liquidity crisis; or 2) defaulting on its debts, being ejected from the Eurozone, and becoming an outcast nation. Financial journalists underscored the perils of the Argentina model and the second option, arguing that a default would be a major blunder for all parties. Beyond proscribing certain possibilities, the media sought to compel a Troika bailout to head off contagion effects on the Eurozone. In May 2010, the Greek government agreed to the first bailout deal worth €110 billion, while implementing the first wave of pension reform, tax increases, and spending cuts. The media hoped that the Greek government would aggressively implement the austerity measures needed to correct its fiscal and debt imbalances, thereby becoming a disciplined capitalist nation.

Solvency Crisis: The Failed Argentine Solution and the Second Bailout

Despite the first bailout deal that included emergency loans and structural adjustments meant to improve economic fundamentals, Greece failed to recover during 2010 and 2011. The Greek economy continued to contract sharply as the nation fell into a depression, pushing up the unemployment rate, accelerating the decapitalization of the banking sector, and raising the debt load from 145 percent of GDP in May 2010 to 182 percent by November 2011 (Phillips, 2015). Throughout 2011 and into mid 2012, the Anglo-American media shifted the financial discourse by embracing the model of a solvency crisis. To understand the implications of this solvency crisis, the media critiqued the financial history of contemporary Argentine governments. The Néstor Kirchner (2003-2007) and Cristina Fernández de Kirchner (2007-2015) administrations bore the brunt of the criticism. The media once again framed Argentina as an illiberal, pariah other, but began to identify the possibility of an “Argentine solution” to the Greek situation. However, the media sought to prevent this option by demonstrating its self-destructive basis.

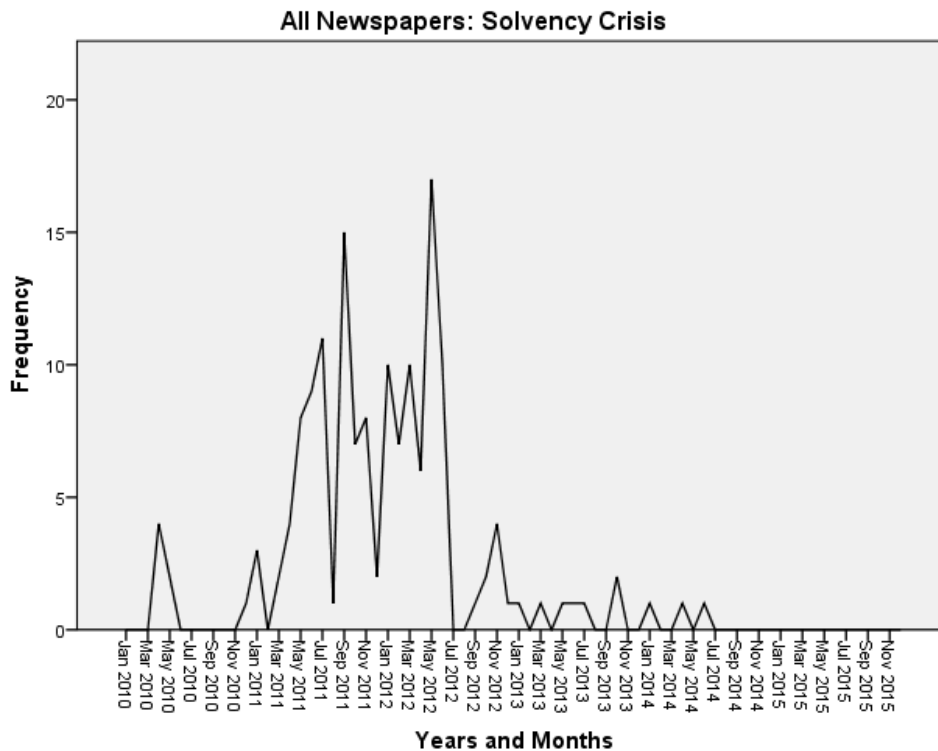


Figure 3: Financial News Articles Identifying a Solvency Crisis ($n = 155$)

Following the first bailout deal, the Anglo-American media increasingly began to consider the debt situation more serious than initially imagined. As a result, the financial media discourse shifted from a consensus supporting a liquidity issue to one focused on solvency. Though a few journalists continued to embrace the model of a liquidity crisis, the vast majority of the media argued that the Greek government faced serious structural financing problems that prevented it from repaying creditors (see Figure 3). The financial press began to rally around the prognosis that Greece could not grow its way out its debt hole, drawing attention to increasing

default risk signaled by bond market yields and the price of credit default swaps taken out as insurance against default. With a convergence of belief around the solvency model, the media sought to compel further interventions by the Troika and a write-down of Greek debt.

The media identified a possible “Argentine solution” to the Greek situation. Though continuing to highlight the missteps of the Menem administration during the 1990s, the media also focused on Argentina’s sovereign debt crisis and the anti-neoliberal Kirchner and Fernández administrations. The Kirchner-Fernández regimes sought to remake the Argentine economy along new lines that brought an end to the privatization of state companies, rejected an open-ended commitment to liberalization in favor of stronger protections for domestic industries, rebuilt the social safety net to address mass poverty and unemployment, and affirmed stronger state control over the economy (Wylde, 2012). Highly critical of the IMF and the global financial system, the Kirchner and Fernández administrations enjoyed a robust but volatile GDP growth rate of 4.58 percent per year from 2003 to 2015 (Mendoza, 2018, p. 2). Anglo-American journalists sought to undermine the notion that Kirchner and Fernández had enjoyed real success in implementing a “post-neoliberal” development model.

The media highlighted the incommensurability of Argentina and Greece as countries with different comparative advantages. In *The Wall Street Journal*, Matt Moffett (2011) wrote: “As Greece’s economy strains to cope with towering debt and an overvalued euro, some politicians and economists in Athens are debating the ‘Argentine solution’.” Moffett’s narrative established the option of an Argentine-style Grexit: default, devalue, and grow. Moffett alluded to how the Kirchner and Fernández administrations had seemingly enjoyed strong economic growth because of the debt default and devaluation of the peso that took place in 2001-2002. As a result of the default, the Argentine government was able to write down its debt significantly to make its repayments more sustainable. Also, the devaluation made Argentine commodities—soy, wheat, and other goods—cheaper on the world market, which prompted a strong recovery. However, Moffett went on to cite various Argentine experts, central bankers, and ministers as agreeing that this Argentine solution was a fallacy. Greece faced legal issues surrounding the possibility of leaving the Eurozone and logistical issues of how to roll out a new currency (drachma) after getting rid of the euro. Moreover, Greece lacked the extensive agricultural lands and resources enjoyed by Argentina, which prevented it from pursuing an export-led, commodity-based recovery.

The media also sought to undermine the myth of Argentine growth. Barbieri (2012) argued that the “Argentine path” was built upon “deceptive nominal growth rates.” At the root of this supposed success was a commodity boom based upon endemic “corruption” and a growing decline in “competitiveness” (ibid). Once the commodity boom ended—the argument went—Argentina’s actual growth rate would be significantly depressed. While some pointed to unusually favorable market conditions, others identified the Kirchners as thieves stealing the wealth of the nation. Rosner (2012) remarked that the government had resorted to “self-destructive means of funding itself: seizing central bank reserves, nationalizing pension-system assets, forcing pension-system purchases of government bonds, increasing control over citizens’ access to dollars, and raising import and export taxes.” The Kirchners also engaged in the practice of “exporting pain” (Smith, 2011). Through hardnosed negotiations with bondholders to reduce the principal, the Argentine government managed to transfer some of the pain of default onto foreign creditors, who had to eat their losses. Rather than simply corrupt and venal, the Argentine government was also dangerous: failing to take responsibility for its debt obligations and in the process inflicting pain on others. In sum, the Argentine solution—grounded in the

myth of post-default national growth—was based upon self-destructive graft by the government, a commodity boom that would soon end, and the offshoring of debt pain.

The media thus formulated a financial discourse based upon a model of solvency crisis in which the European self—identified with Greece—was potentially compromised by Argentina, as Latin American other. According to the media, Greece and Argentina shared many things in common: corrupt governments, unsustainable debt loads, deceitful practices concerning statistical reporting, and high levels of country risk. However, Argentina was also a fundamentally illiberal, dangerous, and venal country following a self-destructive model of national growth. This contemporary history of the Kirchner-Fernández administrations became the basis for the Anglo-American media to envision the possible futures awaiting Greece. These options boiled down to: pursuing the “Argentine solution” by defaulting on its debt and leaving the Eurozone, or negotiating a second bailout deal with the Troika that included a debt write-down. The financial media strongly condemned the Argentine solution, while arguing for some degree of debt reduction to put Greece back on a sustainable path. For Greece to give up the euro was to abandon “the pinnacle of European civilization,” according to Martin Lousteau, a former Argentine economy minister (Moffet, 2011). Implicit to this statement was a reimagining of the geo-cultural space of Europe. With a default and a Grexit, Greece would cease to be a developed nation and would lose membership within “European civilization.” Greece would become more closely linked to Latin American countries like Argentina, shifting backwards along an imagined teleology of nation-state development (Escobar, 1995). In February 2012, the Greek government negotiated its second loan deal with the Troika, worth some €130 billion, as well as a significant debt write-down. However, the Greek economy continued to face enormous obstacles as further austerity measures depressed a recovery and exacted a frightening human cost.

Political Crisis: Competing Solutions and the Third Bailout

Following the second bailout deal, the Greek economy continued to stagnate. Bank deposits began to increase, but GDP growth remained negative, though slowly improving (Phillips, 2015). However, the debt load—following the initial write-down in 2012—began to creep up again and the unemployment rate continued to rise, topping out at a staggering 27.9 percent in mid-2013 (*ibid*). Having endured years of social and economic dislocation, the Greek populace elected a radical leftist party, Syriza, in January 2015. Syriza campaigned on a populist, pro-European, anti-austerity platform. With the election of the Tsipras administration, the media discourse soon shifted toward a narrative model of political crisis. There was a splintering of the media into a majority camp committed to rejecting the Argentine solution and a minority camp that argued for an Argentine-style Grexit.

During its first seven months in power, the Tsipras government faced immense political pressure from EU leaders and the Troika to come to heel and reject its anti-austerity ideology. The Tsipras administration soon endured a massive withdrawal of bank deposits as it tried to negotiate a third bailout deal with the Troika. The ECB did the Tsipras administration no favors by severely limiting the access of Greek banks to cheap credit, thereby encouraging a bank run to destabilize the government. For Eurozone leaders, the goal was to neutralize Syriza as a political threat, forcing the tough-talking Greeks to continue previous—and accede to further—rounds of austerity measures (Varoufakis, 2017; Weisbrot, 2015). Moreover, the ECB and EC refused to treat the crisis as a solvency issue, unlike the IMF, which would have invited another debt write-

down. Instead, the bailout—if Greece conceded to Eurozone demands—would only be countenanced as a liquidity issue.

The Anglo-American media shifted the financial discourse toward the narrative model of political crisis. Given its anti-neoliberal ideology, Syriza was a profound threat to EU countries, since party leaders talked openly about rejecting austerity agreements, demanding another round of significant debt reduction, and prioritizing the human needs of citizens over the abstract imperatives of financial market competitiveness. Among the media, there was a convergence of belief about the onset of a political crisis, since Syriza was considered way outside the European political mainstream (see Figure 4). Though there were continuing discussions about liquidity and solvency issues, the media highlighted the Greek government as the key locus of danger, but also as a necessary evil to “save the Eurozone,” as the refrain went.

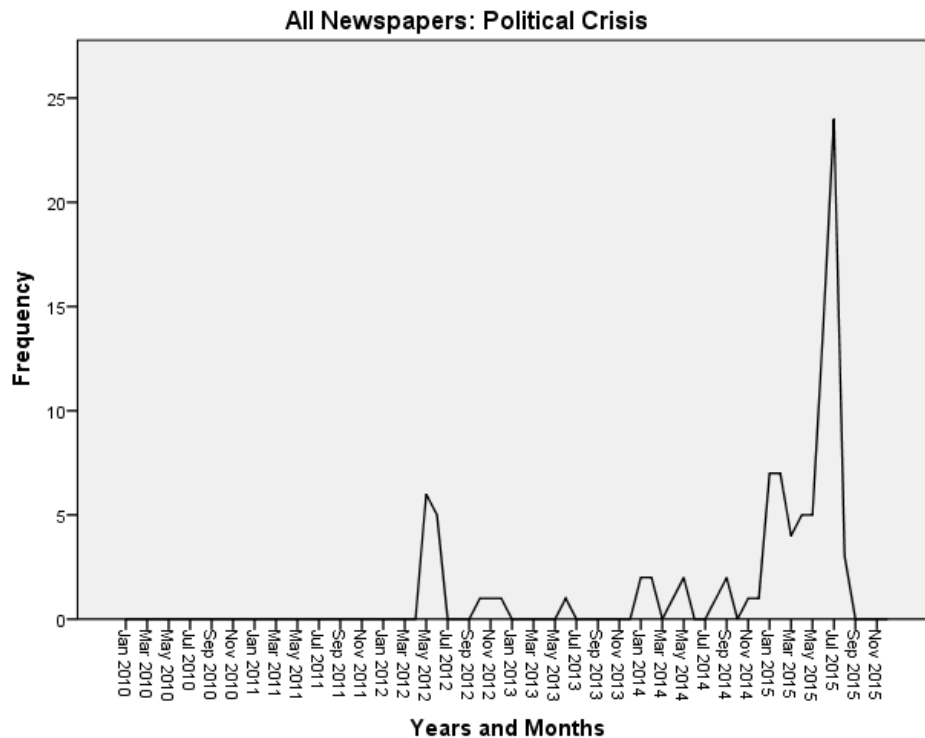


Figure 4: Financial News Articles Identifying a Political Crisis (n=97)

The media embraced a new rhetorical tactic of explicitly identifying the Greek government with the Kirchner-Fernández regime, its Argentine populist counterpart. There had been many echoes of this tactic since the beginning of the debt crisis, with routine identifications of Argentina and Greece as both “pariah,” “outcast,” or “basket case” nations. In previous years, the media employed this line of argumentation to persuade the Greek government to reject the Argentine example and return to the fold of disciplined capitalist nations. With the election of Syriza, the media did not conceal its disdain for the Tsipras government, which had put in dire risk the whole Eurozone project. In July 2015, Bret Stephens (2015) wrote in *The Wall Street Journal*: “Argentina shows that people can get it wrong generation after generation; that illusions of grandeur can sustain a politics of failure. Greece proves that Argentina isn’t alone.” Stephens references the theme of Argentina’s decline and fall from rich-nation status in the early twentieth

century. He also creates a new category that includes two world historical nations: Greece has become the “second country in history—Argentina was the first—to make the transition from membership in the developed world to membership in the developing one” (ibid). Stephens goes on to depict this “politics of failure” as related to irrational thinking, the hubris of demanding wealth without work, the inability to live within a country’s means, and the incapacity to learn from previous mistakes—in short, delusions of grandeur that reject the rational calculation, work ethic, and commitment to saving that grounded Weber’s (2004) characterization of capitalist values. Ultimately, this media tactic attempted rhetorically to excise Greece from Europe as a geo-cultural zone of “developed” nation-states. However, the fact remained that Greece was still legally and politically part of the Eurozone. As such, Greece was an ambiguous self-other straddling the line of exit: both a subjugated self—disciplined and financially indebted to stronger EU countries—and a not-quite-yet-part of the world of the non-European other associated with Argentina.

Unlike previous bailout periods, the Anglo-American media began to take very seriously the arguments put forward by experts favoring an “Argentine solution” to the Greek problem. The media circulated widely the heterodox positions of a group of academics, economists, and public intellectuals who championed a Grexit. The most passionate advocate of the pro-Argentina pathway was Mark Weisbrot, the co-director of the Center for Economic and Policy Research in Washington, DC. Weisbrot (2015) argued that the Argentine analogy was the correct one for Greece to use to understand its situation as a country suffering from the failed policies of neoliberalism long pushed by the IMF and the global financial system. To break out of the downward spiral of austerity and structural adjustments, the Greek government should take the Argentine solution of defaulting on its growing debt, exiting the euro, and devaluing its new currency. Weisbrot’s argument—particularly its defense of the much-maligned Kirchner-Fernández governments and its harsh critique of the Troika—prompted rebuttals from across the media.

The media thus refashioned the financial discourse based on the model of political crisis in which the analogical distance between the European self and Latin American other collapsed, as Greece was increasingly seen as too similar to Argentina to be saved. In the process, there was a geo-cultural re-imagining of Europe that cast Greece as a nation-state fallen from the category of developed countries, existing as an aberration on the margin of the continent. Despite these promiscuous articulations between self and other, the Anglo-American media sought to compel a third bailout to save the Eurozone from the populist fantasies of its weakest member. While a small camp favored an Argentine-style Grexit, the majority backed a third bailout that extracted punitive concessions from the rebellious Tsipras administration.

Ultimately, Eurozone leaders forced the Tsipras administration to capitulate. On June 29, 2015, the Greek government imposed capital controls to limit cash withdrawals and head off a banking system collapse. On June 30, the government defaulted on €1.7 billion to the IMF, the first “developed” country to do so. And on July 5, the Greek people voted in a national referendum concerning whether to approve or reject the third bailout proposal, with Tsipras campaigning on the “reject” or “no” side. Greeks voted down the proposal, 61 percent no to 39 percent yes. The Tsipras government hoped this “no” vote would improve his bargaining position in the negotiations, given this vocal rejection of further austerity. Nevertheless, Tsipras faced a united front of Eurozone leaders who sought to deepen austerity and head off the establishment of a beachhead of anti-neoliberal populism inside the EU. Eurozone ministers

agreed to a third bailout that granted Greece €86 billion over a three-year period, but without any debt write down.

Conclusion

This article has argued that the Anglo-American media generated a financial discourse of the Greek debt crisis based on an analogical framework to contemporary Argentina. We highlighted the convergence of this media discourse around specific models of debt crisis during the first, second, and third bailout periods. These narrative models stabilized the meanings surrounding deeply uncertain economic phenomena. In 2010, the Greek “liquidity crisis” was understood in relation to the “pariah” status of Argentina following debt default and the illiberal Menem government. In 2012, the Greek “solvency crisis” was framed in relation to the rejection of the populist “Argentine solution” offered by the self-destructive Kirchner-Fernández governments. In 2015, the Greek “political crisis” tied to the election of Syriza became intelligible in relation to competing camps: one that dismissed the anti-neoliberal values of the Greek government and its close affinity with the politics of Kirchner and Fernández, and the other that openly advocated for an Argentine-style Grexit.

This article has contributed to the global study of financial cultures by highlighting the politics of geo-cultural difference making at work within media narratives of financial crisis. Our analysis has focused on how the financial media utilized the Greece-Argentina analogy to formulate notions of European selfhood, highlighting cultural, moral, and economic differences within respect to an illiberal, venal, self-destructive, dangerous, and pariah Latin American other associated with a heterodox, post-neoliberal economic agenda. This trans-Atlantic analogy created a narrative space of promiscuous association between Europe and Latin America that sought to showcase the failures of Argentina and to persuade Greece to reject default and Grexit as viable options. What began with narrative models of self-other difference turned into accounts of self-other sameness during the third bailout period, threatening to collapse the geo-cultural distinction upon which the trans-Atlantic analogy was based, as Greece defaulted on IMF loans and nearly exited the Eurozone. This compelled the media to reimagine Europe as a space of “developed nations” in which Greece occupied a zone of undecidability, both belonging and not belonging.

Finally, this article suggests new lines of investigation for social studies of finance and financialization. The growing body of literature on the financial media has underscored how media actors and discourses have become constitutive of financial markets, communicating information about market action but also hyping trends, facilitating speculative bubbles, and contributing to social inequality. Researchers, however, need to expand their scope of analysis to scrutinize the cultural politics of media financialization and the transnational frameworks of self-other difference undergirding representations of financial crisis. Indeed, the financial media justifies and advances neoliberal ideology by establishing and policing geo-cultural differences within the global financial system.

Notes

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² Austerity was ostensibly mandated to make the Greek economy competitive again, though some scholars have drawn attention to how German and French banks, as bondholders on the hook, benefitted handsomely from the bailout deals (Varoufakis 2017).

³ See Lee (2014) for a review of the literature on financial media and markets.

⁴ Reification involves the framing of price movements as objective facts or “external events attributable to the agency of ‘the markets’ as if they were an impersonal force of nature” (Thompson, 2009, p. 85; also see Zaloom, 2006).

⁵ However, scholars have examined how the national media in Thailand (Supadhiloke 2012) and Argentina (Becerra and Mastrini 2010) have framed events such as the U.S.-precipitated global financial crisis and Great Recession.

⁶ Many scholars have noted that Argentina inhabits a liminal position within the discursive self-fashioning of the West (Nouzeilles and Montaldo, 2002; Savigliano, 1995). Argentine elites have often framed Argentina as Westernized and exceptional—racially and culturally—with respect to other Latin American countries.

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