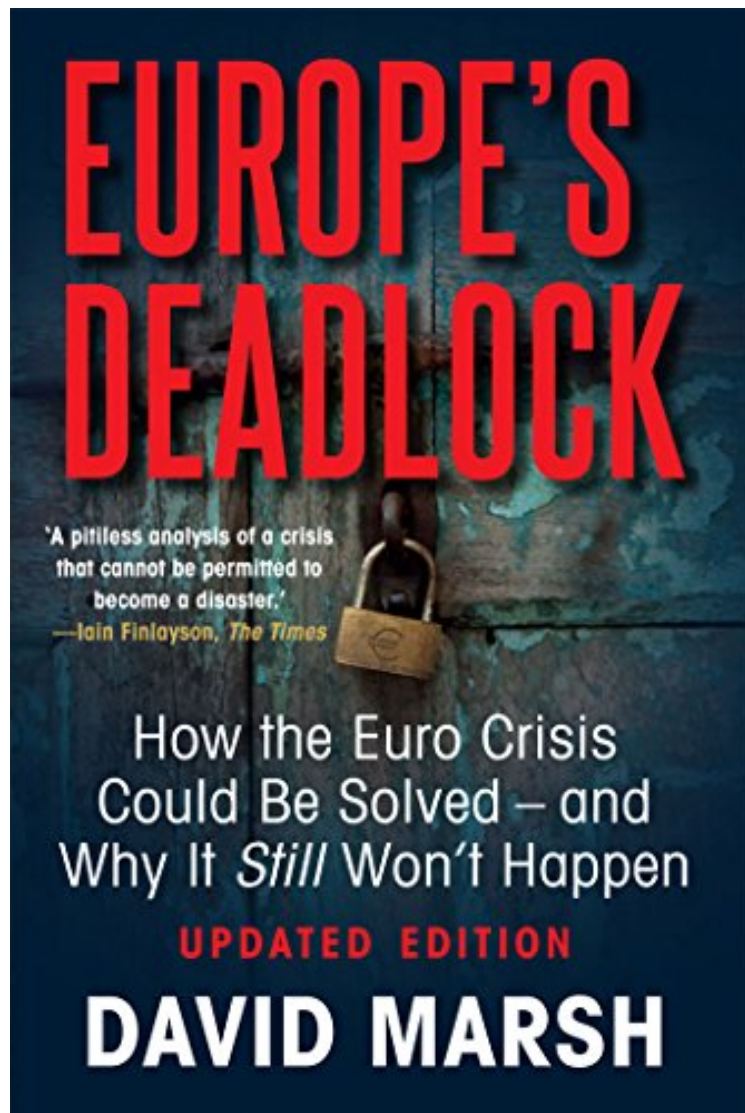


[Library ebook] Europe's Deadlock: How the Euro Crisis Could Be Solved mdash; And Why It Still Won't Happen

## Europe's Deadlock: How the Euro Crisis Could Be Solved mdash; And Why It Still Won't Happen

David Marsh

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**David Marsh : Europe's Deadlock: How the Euro Crisis Could Be Solved mdash; And Why It Still Won't Happen** before purchasing it in order to gage whether or not it would be worth my time, and all praised Europe's Deadlock: How the Euro Crisis Could Be Solved mdash; And Why It Still Won't Happen:

0 of 0 people found the following review helpful. An Honest Look at the EuroBy William A. ThayerEveryone (including Merkel and Draghi) should read this book. It's honest.This book realistically goes over how the Euro got to

be such a mess. It wasn't a monetary plan but rather a political plan. The productivity of the northern European countries is just too far ahead of the southern European countries so trying to put them on one currency and one interest rate is like putting a square peg in a round hole. The author lays out a 10 point plan that would solve the Euro problem (provided some countries left), but acknowledges that the plan is totally unrealistic. There isn't going to be a political union in the near future. What's missing are some numbers. Just how much (my guess is \$2 Tril) debt does the EZ have that won't be paid off. The author does estimate the size of the Greek debt but no more. The author misses the impact that the \$400 Tril Interest Rate Swap market will have on the EZ (i.e., there is a financial aspect to the problem as well as an economic and political one). The EZ was created to make intra European trade easier and increase it. Instead, the intra European trade is actually going down. At some point, the Europeans have got to line up the Euro objectives and actual results. Greece and Italy are in pain. The Euro has hurt them and not helped them.

2 of 2 people found the following review helpful. A decent argument that paralysis will continue into the future regarding the Euro primarily due to political factors.

By Yoda

Any review of this book would have to start by mentioning two facts. The first being the author's expertise on European Central Banking and the second the relatively short length of the book. The author, David Marsh, is a leading expert on European Central Banking with six serious books on the subject under the belt. He is also a Chairman and Co-Founder of the Official Monetary Financial Institutions Forum as well as having served as being a contributor to the Financial Times for almost twenty years. Hence this book is written by an authority on the topic, not some author with little or no expertise in the field. With respect to length, the book is only about 120 pages in terms of text and the pages are quite short, at about three paragraphs per page. Hence if the reader is looking for a scholarly tome on the subject this book will most likely disappoint. This reviewer recommends, for a more in-depth discussion, the author's previous book "The Euro: The Battle for the New Global Currency" (published in 2011).

In "Europe's Deadlock" Mr. Marsh posits that political constraints will prevent the Euro's members from taking the needed steps to strengthen the Euro in terms of the needed political institutional changes that are required to strengthen it. He also posits that, simultaneously, it is not in the interests of the majority and more powerful members of the Euro, in particular France and Germany, to let it collapse. Hence he expects the current political paralysis and inertia to continue into the future. This argument he makes quite intelligently and convincingly.

Specifically, Mr. Marsh states that for the Euro to be strengthened, in the long-term (as opposed to just managing the currency from one crisis to the next), the following steps need to be taken:

- 1) A full scale political union among the Euro's members needs to be reached that will lead to the creation of a centralized central bank to back the currency.
- 2) Following from the above, centralized European control will have to be established over all national members' fiscal and economic policies.
- 3) The European Central Bank will have to become a de facto lender of last resort, in much the same way that the Federal Reserve Bank is in the U.S.
- 4) Direct revenue raising mechanisms must be established that will replace current member states revenues.
- 5) Formal entry and exit policies need to be established to replace the current ad hoc policies that are currently in place.
- 6) Eurobonds on a European-wide basis will need to be introduced to replace current member states individual member states bond issuance.
- 7) Delay any new members being allowed to join until the above six steps are taken.
- 8) Form a South Africa style "truth and reconciliation" committee to investigate what has gone wrong and how it can be rectified.
- 9) Improve burden sharing with respect to fiscal expansionary and austerity policies across the whole body of membership instead of the current policy of fiscal contraction in the Southern states (with no fiscal expansion in the Northern wealthier members).
- 10) Enact a Marshal Style program to assist the Southern States.
- 11) Establish a fully integrated banking system and regulatory system, analogous to the Federal Reserve in the US.

The book mentions these reforms and elaborates on them but in only two or three pages of the book's text. The remainder of the book is spent on discussing, quite obviously, why these are not feasible from a political perspective. Hence two of the weaknesses of the book, the fact that the political factors against the above mentioned reforms being made are relatively self-evident plus the fact that the economic factors not being discussed in enough detail. Due to the book's weakness with respect to the lack of economic discussion, it serves as a very good complement to the articles in George Soros' "Financial Turmoil in Europe and the United States: Essays". Mr. Soros emphasizes nearly all of Mr. Marsh's above 11 points but discusses why they are so important from an economic point of view. Mr. Soros' analysis, however, lacks a discussion of the political factors that so prevent the aforementioned reforms from being made. Hence the books are almost perfect complements. Mr. Marsh covers the political side (with little economics) while Mr. Soros covers the economic side (with little discussion regarding political feasibility).

Despite the fact that Mr. Marsh concentrate's nearly entirely on political factors the book still does a very good job at making the argument that needed reforms will not be coming along any time soon and that the current policy of "muddling along" will continue. For this reason alone this reviewer highly recommends it. However, due to the lack of economic analysis in his book though this reviewer highly recommends reading it in conjunction with Mr. Soros' book.

0 of 0 people found the following review helpful. Really prescient discussion on the issues that inevitably led to the Greek financial crisis.

By Bayard B.

Really prescient discussion on what issues inevitably led to the Greek financial crisis and how the EU doesn't have the tools to solve it. It's a story of how irresponsible European governments would inevitably make life really tough for the responsible governments. It could have (and probably should) have been foreseen. After all, Italy, Greece, Spain, and Portugal didn't become almost insolvent overnight. It

had been developing for years and should have been foreseen when the EU currency union was being formed.

With new material on the astonishing 2014–15 monetary rollercoaster, an incisive chronicler of the euro's upheavals explains how Europe's single currency has lurched in and out of crisis—with widespread repercussions for Britain and the rest of the world. Marsh is an expert chronicler of European monetary union, and his analysis deserves serious consideration. —George Soros  
Europe's Deadlock makes a hard-hitting case against muddled thinking, lack of imagination and straightforward incompetence on the part of the politicians and technocrats charged with policing the single currency. —Ferdinando Giugliano, Financial Times  
[A] pitiless analysis of a crisis that cannot be permitted to become a disaster. —Iain Finlayson, The Times

His latest book, Europe's Deadlock, makes a hard-hitting case against muddled thinking, lack of imagination and straightforward incompetence on the part of the politicians and technocrats charged with policing the single currency. —Ferdinando Giugliano, Financial Times