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A Book Just on Time:

The Euro and the Battle of Ideas by *Brunnermeier, James and Landau*

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Much praise from *Bernanke* as well as from *Schäuble* was accompanying the above-mentioned book which has a wide-ranging object and a far-reaching aim. *Brunnermeier et al.* intend to explain the conceptual differences between the French and German policies and their academic tools. Moreover, the book tries to put into perspective the national monetary developments after the great financial crisis in 2007/ 2008, analyses the institutions and countries involved, and finally makes several strategic recommendations which should lead from an “economic ideas union” to a more stable development of the Eurozone. The reader is grateful for a German author explaining the incompatible conceptual positions in the economic policy between Germany and France. However, this part of the book is neither original nor authentic. Further, it ignores the fundamental opposition of interests between an economically fragile France and a robust Germany. Besides, the question might be posed whether the author in Princeton is well-positioned to observe the overall strategic guideline of the French policy: in the name of Europe putting France first. This is the French dream: using the German balance sheet and being herself in the driver’s seat throughout the monetary crisis since 2008. *Brunnermeier et al.*, by explaining simply the difference of concepts, create the illusion that through rational dialogue the fundamental controversy could be overcome. In that sense, the authors’ initiative is welcome by both the ECB management and the Brussels establishment because their personal career would come to an abrupt end if finally and despite unprecedented enlargement of central competences (banking union, ESM, EFSE) and the unsustainably extravagant ECB

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policy, the European Monetary Union would ultimately collapse. That is why *Brunnermeier et al.*'s book is first and foremost part of the "Let us reengineer the Eurozone" ideology. Readers are not surprised to find the authors' acknowledgement to *Coeuré, Barroso, Lagarde, Regling, Pisani-Ferry* - in brief all the people whose political survival and legitimacy depend on the continued fuelling of the Eurozone by Germany.

It is the biggest merit of the book to have discussed the pitfalls of the monetary union as well as the banking union and to have submitted interesting and thought-provoking proposals as a remedy to the deficits. One of these proposals concerns safe bonds, a proposal economically close to Eurobonds which has been proposed as well by Mr *Delpla* from *Bruegel*. All these proposals, which cannot be detailed here, will stimulate the discussion of how to reengineer the European Monetary Union. It is not surprising that the authors do not treat the problem of how to finish the project of the Monetary Union. That question is, at least for a French author like Landau, taboo because the abolition of the Deutsch Mark is considered as the greatest success of the French policy in the 20th century. As the question of an exit of Eurozone is left wide-open, there is no discourse on how to unwind the project if the damages are beyond repair.

The book has, however, the immense merit of describing in detail the massive influence American politicians and politics have tried to exert on the major players of the European monetary policy - mainly Germany. *Brunnermeier et al.*'s working effort seems to be part of that stream of US influence which, elegantly masked by European authors, is revealed only through the sponsorship of the US Rabinowitz Center for Public Policy and Finance. That is why the battle of ideas is just at the beginning. As a matter of fact, in that battle Europe should not be left to the defence and advocacy of *Brunnermeier, James and Landau*.