

## Introduction to Joseph Stiglitz and Jeroen Dijsselbloem

*By Marike Stellinga*

We made it.

Since the financial crisis broke out in 2008, there were many times that we in the eurozone thought we would not make it.

When we saw one huge bank after another being rescued by our governments and taxpayers' money.

When we saw money fleeing from Southern Europe to safe havens in Northern Europe.

When we saw financial markets in extreme panic and the banking system freezing up.

When we discovered that a country like Greece had built up such huge debts that it had to be saved.

When other countries like Ireland, Spain and Portugal also had a hard time keeping their head above water. When they had to be helped too.

When we saw the European leaders and finance ministers lock themselves up in Brussels weekend after weekend, year after year to agree upon yet another deal to save Europe.

When we saw our leaders bicker about what to do while people all over Europe protested in the streets.

When we saw the endless soap series of discontent between Europe's leaders and consecutive Greek governments. When we thought: come on, resolve this dispute!

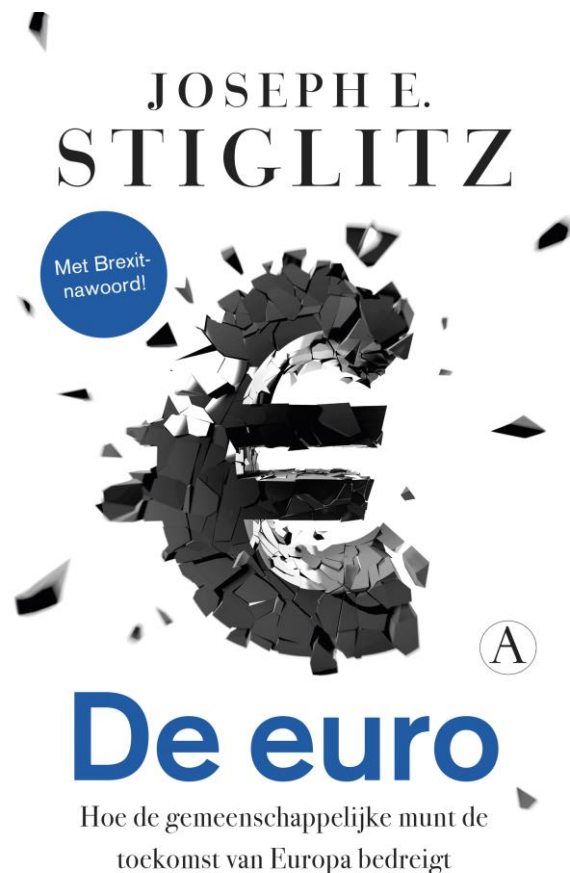
When we saw the Brits vote for a Brexit.

We made it - although we also know that we are not yet on solid ground. This week the German bank Deutsche is the object of doubt about its health. It is a central pillar on which the European banking system rests. Again, we are assured that the panic is not justified. We will see.

So far, we made it. This man, Mr. Jeroen Dijsselbloem - head of the eurogroup of finance ministers since January 2013, a group where a lot of decision-making in the eurozone starts, - was central to rescuing Europe from crisis after crisis.

Let us all heave a sigh of relief.

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Well, not so fast.

In comes Mr Joseph Stiglitz, Nobel laureate and world famous economist, with his new book about the euro, to tell us that we should not cheer. We only *think* we made it.

The structures that support the euro are fundamentally flawed, Mr. Stiglitz shows in his book. So much so that we will keep on limping from crisis to crisis until something breaks. The euro was meant to bring prosperity and enhance solidarity in Europe. It has done the opposite. It has made strong countries stronger and weak countries weaker. The euro undermines the support for the European Union because it creates more divergence and less solidarity between the nations of the eurozone. To save the European Union maybe we should sacrifice the euro.

But it is not only fundamental flaws that hurt the eurozone since 2008. It is also the policies implemented by leaders like Mr. Dijsselbloem. Mr Stiglitz' book actually is a drawn-out review of , among others, Mr Dijsselbloem's work. Let me summarize the criticism of Mr Stiglitz in one sentence: everything Mr. Dijsselbloem and his European colleagues did made us worse off.

The Eurozone leaders have worsened the fundamental flaws of the euro by imposing disastrous economic and fiscal policy on the countries of the eurozone. Policies which Mr. Stiglitz in his book calls neoliberal - policies that benefit big business and hurt people. Policies that caused high unemployment and in Greece bordered on the inhumane. Policies that were above all, economically very stupid. Any economist should have known that extreme austerity – which means government has to cut spending and raise taxes to get out of debt – would bring economies such as Greece from a recession into a depression. Mr. Stiglitz is right: countless numbers of economists predicted this.

We made it, but at a huge cost, Mr. Stiglitz argues in his book. The euro has been saved at the cost of a lost decade. Many people have become unemployed or earn depressed wages in Europe. It made the people of Europe drift apart, because they can see very clearly that the euro benefits some more than others. And unless we change the rules of the euro, we are doomed.

The good news of the book: Mr Stiglitz has three solutions. 1. More Europe. 2. An amicable break-up of the euro. 3. A flexible euro.

The bad news: for many Europeans and politicians these solutions are the equivalent of a horror movie. More solidarity, transfers of funds from countries that are doing well to countries that are doing poorly, more rules from Europe. Or a potentially very costly break-up. European politicians would rather muddle through.

How do we move forward? What to do? Let's ask these two very eminent men, both economists, both passionate about the European project, how we *can* make it.

*Marika Stellinga is an economist and journalist for the prominent Dutch paper NRC Handelsblad, where she is deputy-editor.*

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