Book Review
Crashed: How a Decade of Financial Crises Changed the World
by Adam Tooze
(published by Allen Lane, UK)

Book Reviewer: Dr. Dipti Ranjan Mohapatra

Tooze, analyzed the 2008 financial crisis after a decade and concluded that we have reached to a moment of 1930…. A New York Times Notable and Best Selling Crashed: How a Decade of Financial Crisis Changed the World has appalled and enthralled many readers.

The bubble burst crisis of 2008 shocked the financiers and puzzled the commercial World. The outcome forced the economist and politician to re think and search for a new economic model for survival of the mankind and the economic system. History repeats – Late 18th century Industrial Revolution invented free market economy followed by
creation of Marxist tradition out of 1848 crisis. The Great Depression 1930s produced Keynes’s *General Theory of Employment, Interest and Money* followed by Friedman’s Monetarism. However, 2008 crisis compelled social scientists and economic historian to dissect and predict the future in the aftermath.

*Crashed: How a Decade of Financial Crisis Changed the World* narrates the complex financial thoughts in simplified narratives taking consideration of pre-historic description of such crisis across the globe. It includes extensive, suitable and scholarly chapter of Soviet era, Russia, China and other East Asian nations. Author has introduced thought provoking and innovative comprehension on financilized capitalism which reader will certainly appreciate.

Adam Tooze, the author, an English Economic Historian at Colombia University has enlightened many misunderstood realities with examples in his *best seller*. His examples of crumbling down of South Korea, Ireland financial market known for their *Best Practices* globally because of trade surpluses and light control on banks and employers with shrinking flow of funds is ultimate as there is a narration “why it happened”. Dissecting it further he blamed the *free flow of unchecked debt that poured from banking system and private sector* sparing the state and public sector. Independency or less control on banking system leads to the complete breakdown. Financiers were told to pay their un-payable debts more than the national income of their country pointing their existence to huge rush of money from here and there. Meanwhile the nexus among the politicians of America and Europe with bankers is the point where the seed of *financial crisis* was germinated. This converted the super-rich creditor into poor and middle –class debtors pushing the loss of the bankers to the latter. He described this as *socialism for bankers and crisis for many*.

Tooze blamed the models advocated by Germany’s social democrats for the austerity of Eurozone that convicted millions of Europeans to hardship. He compared the Germany’s model to Eastern European *authoritarian communism* imposed and practiced brutally by European elites on their own people to continue their relationship with international financial elites for preserving their own benefit. His analysis of *historic defeat of European capitalism* relates to pumping more money to Greece bankrupting the European Banks which severely ruined the life prospects of majority Europeans.

On a little positive note Tooze supported common German hostility to advancing loan to Greece, Italy and Southern European Nations on the line of West German exhaustions on supporting East German brethren in 1990s. The bailouts of German and French banks imposed on successive Greek governments by German Chancellor and supported by President Sarkozy, European Central Bank and IMF was opposed by majority of Greeks and German as it pushed the Greece to permanent debt-bondage.

For Brexit, he blamed the flawed monetary policy of UK along with George Osborne’s self-defeating austerity measures. The problem was aggravated because of the inflow of
European workers to UK, printing of more pounds by Bank of England in response to reduction supply of Euro by European central Bank, generation of more low quality jobs in UK aggravated Brexit.

Tooze blamed former German finance minister Wolfgang Schäuble’s criticism on USA Growth Model at a G20 meeting in 2010 for difference of opinion between Europe and USA. Former German finance minister criticized the Americans life style based long credit and neglect of industrial sector leads bubble burst crisis. Responding to German accusation Tim Geithner, former US treasury secretary refuted the allegation and blamed Germany and China’s mercantilism.

He discussed how the post –Bretton Woods affected techno-structure of Galbraith extending the structure to dark side of finacialization, shaking the GDP growth objectives with financial elasticity and inflation that leads to deep financial crisis and austerity. The growth was taking place in the balance sheets of global financiers hand in hand with dollar-based political hegemony which was far away from the real macro – economic growth reflected in the national account of the states. The toxic dollar-denominated financial flows meant to finance USA trade deficits infected whole major global financier and banking systems leaving its pungent stench in Bubble Burst Crisis in 2008. He repeated the effort of USA and China to save the finacialized techno structure against the neo-liberal populist dream of deregulation to make everybody happy under democracy. He reiterated and questioned again the prediction made by some including himself since 2008 the inevitability of taking of power by nationalist international in White House, Italy, Poland, Austria, Netherlands and Germany.

Tooze fears about the success of USA and Chinese government’s effort on the similar agenda once again in this fetid political environment. He blamed the apolitical macroeconomic management pushed by techno structure as the reasons for undeclared class war transferring all the risks and losses to weak to suffer in the absence of a progressive internationalist.

Concluding, Tooze, draws line from present aporia, 1914 shattered aspiration on great moderation and 1930s Great Depression and come out with the conclusion which is nothing more than an international fascist moment. He questioned when will wake up and stand against the nationalist international reared in the west by techno structure to handle the inevitable crisis?

Crashed: How a Decade of Financial Crisis Changed the World by Adam Tooze is published by Allen Lane, UK (Pages 706) (Price, £30) It is available in Amazon India (₹ 1633.89)