

The first chapter of the book (19-41) discusses the “three tragic errors” (19; all translations mine) that led to the current international economic crisis, that is to say:

(a) the blind faith in financial globalisation as a path to prosperity that caused Western political leaders not to acknowledge either the nature or the magnitude of the 2008 financial crisis, thus misinterpreting it as a sheer downswing of a normal business cycle;

(b) the same leaders’ willingness to rescue the world’s de facto bankrupt financial giants instead of liquidating them and substituting them with public banks; not doing so meant socialising private losses that have escalated into the alleged sovereign debt crisis (i.e. as though the crisis were public rather than private in essence);

(c) the same leaders’ irresponsible and subservient decision to allow the de facto bankrupt financial giants to see to the much-needed task of writing new global rules on the products and modalities of virtual trade, which have translated since then into “finance dictating its own rules to the governments” (35).

The second chapter (43-56) tackles the history of the latter half of the 20th century and the beginning of the 21st, so as to reveal the thorough shift in overall economic value and political influence from the real economy to the virtual one or, as Tremonti dubs it, from a “productive economy” to a “speculative” one (14). The third chapter (57-66) sketches an insightful and at times humorous picture of the utter disconnection between the aims of the “speculative economy” and those of the real economy, upon which rest the livelihoods and lives of billions of human beings. The fourth chapter (67-76) denounces the complete failure of mainstream economics and leading economic institutions to foresee, forestall and address effectively the ongoing crisis. Not only does he criticise the majority of professional economists, who have lost sight of the real world in lieu of the abstract realm of deductive models. Also, Tremonti criticises the private rating agencies and the Bank of International

Settlements' (BIS) Basil Committee and Financial Stability Board. These emanations of the BIS have been characterised by a "hypertrophy" (69) of official guidelines and recommendations that have been not solely egregiously ineffective, but also a proud display of obtuseness, given that they dare suggest, for one, that banks and financial institutions should follow the "best practices... of the hedge funds" (69; emphasis removed) involved in the "speculative economy" of the planet.

The fifth chapter (77-86) flags out the European Union's (EU) structural deficiencies in managing and protecting its rather young new currency, the Euro, which the "American will to power" has possibly targeted as a threatening rival to the US dollar qua "reserve currency of the world" (84). While assessing such deficiencies, Tremonti highlights the profound political character of the EU's economic policies, which are regularly depicted as sheer technical issues. The sixth chapter (87-92) dwells further on Europe's systemic weaknesses and so does the seventh (93-8), which offers a masterfully concise yet insightful overview of European economic history. The overall picture that the author offers to his readers is one in which all European countries are inextricably interconnected and bound to succeed or fail together. According to Tremonti, the age of national self-interest and isolationism belongs to the past. Consistently, he argues that Europe would be better off, and certainly more likely to cope with crises like the current one, by seeking a higher degree of integration than a lesser one.

The eighth chapter (99-106) recalls Tremonti's first-hand experiences at a number of highest-level 2010 gatherings of EU State officials, who were not able to buttress the Euro with adequate defence policies and financial instruments. The ninth chapter (107-20) deepens the analysis of the EU's inadequacies vis-à-vis its own currency. The tenth chapter (121-30) adds to the previous one a number of considerations on the positive and negative aspects of the policies promoted as well as opposed by the EU's leading member, i.e. Germany.

The eleventh chapter (131-49) discusses four hypotheses on what is likely to lie ahead for the EU, depending on the decisions that its member States will take or fail to take in the near future:

- (a) waiting passively for its demise;
- (b) separating weaker and stronger areas within it;
- (c) reorganising the EU and providing it with new and better instruments, such as a more flexible Central Bank and the Eurobond;
- (d) advancing a “New Alliance” between Europe’s nations, along the lines of Roosevelt’s New Deal.

The twelfth chapter (151-63) articulates and explores the implications of the fourth hypothesis, which Tremonti favours. Although he opposes an inflationary way out of the sovereign debt crisis, which resulted from a suicidal subservience of the world’s government to the banking industry, Tremonti does believe that co-ordinated action by the same governments could lead to a positive solution. The thirteenth and final chapter (165-84) explains in finer detail Tremonti’s “exit strategy” (151), which builds upon three pillars:

- (a) “placing the State above finance and finance under the State” (167);

(b) “letting rules prevail over the anarchy” of finance, as done in the past with the Bretton Woods agreements (173);

(c) “launching great public investment projects for the sake of the common good”, thus following in this case the example and the wisdom of the age of Keynesianism (177) or, to find cases that are closer to us in time, the unorthodox economic policies of Malaysia in 1998 and, to a lesser extent, Iceland in 2008-12.

The book comprises a closing appendix (187-260) containing several intriguing reflections and original documents, including a 2008 letter written by Tremonti to the then French Minister of the Economy, Industry and Labour, Christine Lagarde, i.e. today’s director of the International Monetary Fund (IMF; 187-97). Excerpts from his previous book, *La paura e la speranza – Europa: la crisi globale che si avvicina e la via per superarla* (Milan: Mondadori, 2008 [Fear and Hope – Europe: The Approaching Global Crisis and the Way to Overcome It]) are also published in the closing appendix. These excerpts remind the reader of the progression of Tremonti’s criticism of financial globalisation. Over the years, he moved:

(A) away from his earlier positive acceptance of the new economic world order (cf. his contribution to the book *Nazioni senza ricchezza, ricchezze senza nazione*, co-authored with Galgano, Cassese and Treu; Bologna: Il Mulino, 1993 [Nations without Wealth, Wealth without Nation]),

(B) towards a less serene reading of its implications for Europe at first (cf. *Rischi fatali – L’Europa vecchia, la Cina, il mercatismo suicida: come reagire*, Milan: Mondadori, 2005 [Fatal Risks – Old Europe, China, Suicidal Market Freedom: How to Respond])

(C) and, eventually, for the entire world.

The book is complemented by a dedicated [website](#), which readers can access in order to discuss select topics in contact with the author himself. However, the book as such lacks a comprehensive list of references and a critical apparatus of scholarly notes. As a consequence, the reader of this volume is left to speculate about the sources of Tremonti's current views and the inspirers of the revision of his older, much more mainstream positions. These positions are exemplified not only by the publication cited above, but also by the finance-friendly [policies](#) that he promoted qua Italy's Minister of Economy and Finance in the 1990s and early 2000s.

Minor imperfections notwithstanding, it is highly unusual and equally significant that Tremonti's book be so open and so forceful in denouncing how a global "financial élite has been left to hold power's reins" (40) on the international stage. Combined with the severity of the ongoing economic crisis, Tremonti claims this power shift to be morphing into nothing less than "financial fascism, white fascism" (14 & 120; emphasis removed). This new form of fascism would be the consequential, most undemocratic expression of the dangerous "monster" unleashed by globalisation, as Tremonti characterises it, that is to say, a "financial market, based upon a powerful and dominating ideology, which tends towards the annihilation of the best part of human nature, reducing life to the economic sphere, and the economic sphere to finance... devouring us and eventually devouring itself." (8). For Tremonti, behind the threatening power structure bringing forth "white fascism" lurks a life-blind, economicistic reductionism that prevents the most valuable dimensions of human existence from being considered, respected or promoted. Grave conceptual inabilities thus reflect onto the real world, causing havoc and suffering.

Tremonti's book highlights how the paramount guiding principle in the economic order that has been built under the banner of "globalisation" is whatever profit the accountant may jot down in the books of a corporate firm. Everything else, if perceived in any measure, does not seem to matter much, whether it is the environment, the welfare of families and children, well-established industrial networks, centuries-old cultures, or even Western democracy itself. This chilling axiology is commonly revealed each and every time political leaders do not describe their paramount task as fulfilling their constitutionally mandated duties to the citizenry, but rather as "reassuring the markets", "reducing the spread" levels, making or keeping a country "competitive", or "attractive to business" and to "foreign investors". However, the analyses offered in Tremonti's book spell out in their complexity the profoundly un- and anti-democratic implications of such business-oriented interpretations of political life. This interpretation has been embodied by a long series of either myopic or conniving political leaders that opened the door, over the past "twenty years" (27), to the actual marginalisation of representative institutions. Even the German philosopher Juergen Habermas, usually quite cautious and rather indirect in his [public statements](#), has described in 2011 the EU's "embedded capitalism" as "post-democracy". Oligarchy, not democracy, is the name of the game. The representative institutions of many nations have been overtaken by a technostructure emanating in primis from the world's largest financial holdings. As Tremonti remarks, for instance, just nine such holdings have come to dominate today's US financial market and exercise an enormous influence over US politics and policies (38). And if "oligarchy" is too mild a descriptor for this sort of reality, the English-language [brochures](#) of Tremonti's book include a subtitle that makes use of an even stronger one: "tyranny" (12). What is more, this tyrannical oligarchy has proved even more myopic than the national governments permitting its affirmation over the past two decades, since the world's largest financial holdings have been patently unable to operate sound business models and caused their own collapse in 2008. Still, as their gravy train came to a sudden halt, these incompetent financial holdings have nevertheless succeeded in compelling the world's governments and central banks to operate as their pork-barrel and rescue them from themselves. This rescue operation has been conducted whilst withdrawing much-needed resources from the domains of real-economy credit and public services. No clearer instance of their overwhelming power could be given.

That Tremonti may call this power as the path leading to “fascism” should not be entirely surprising: this is the sort of private power over public institutions that none less than F.D. Roosevelt decried in 1938 as quintessential to “fascism” (cf. Luciano Gallino, *Con i soldi degli altri*, Milan: Einaudi, 2009, p.i [With Other People’s Money]). After many years spent (A) preaching about market discipline via their associated think-tanks, opportunistic academics, affiliated journalists or privately funded university chairs; as well as (B) after lobbying successfully for de-regulation and reduced State intervention in the economy, the State was called in by the largest financial holdings in order to fix their own failures and let them continue to operate as recklessly as before. All the mantra-like principles of ‘competition’, ‘survival of the fittest’, ‘toughness’, ‘merit’, ‘efficiency’ and the ‘invisible hand’ were forgotten overnight in favour of the very visible hand of State aid and State protection – though seemingly reserved for such financial ‘giants’ only. Schools, hospitals, scientific research, public housing and poverty relief programmes, national opera companies and local cultural centres had been starved of funds for decades, under the banner of ‘free markets’, ‘business-friendliness’ and ‘liberalisation’. Now, they keep being starved. In 2008, as Tremonti’s book candidly observes, the world witnessed a glaring contradiction between the words and the deeds of the so-called ‘masters of the universe’; a contradiction that shows the sort of impunity that truly powerful hypocrites can enjoy.

It should be noted that these hypocrites are in great part the same managerial class that regularly pay themselves stellar salaries and huge bonuses irrespective of performance, whilst opposing better salaries to the average employee for the microeconomic sake of remaining competitive and the macroeconomic imperative of price stability. Somehow, as John Kenneth Galbraith stated long ago while distinguishing between actual economic behaviour and the fictional one presumed by the ‘science’ of economics, market discipline is always expected of others, never of oneself (*Sapere tutto o quasi sull’economia*, Milan: Mondadori, 2000/1979 [To Know Everything, Almost, About the Economy]). As he kept recording proofs of this fundamental distinction over the years, glaring contradictions emerge at every level of the actual business world (cf. *The Economics of Innocent Fraud*, Boston: Houghton Mifflin, 2004). Thus, one can still see how MBA students are taught to praise the pioneering entrepreneurial individual above and against any corrupting State interference. Once employed, the same students are required to lobby State representatives of all kinds, under the banner of public-private partnerships. This way, public money is to be spent on hefty commissions for their corporate masters, which have been known to profit enormously

and, in the case of Galbraith's USA, especially from the most evident form of State interference into the lives of private individuals: warfare. The same MBA students are taught to respect consumer sovereignty and admire the way in which it determines production and prices. Later on, these students are employed alongside the most ingenious minds that society can offer in order to survey, predict, condition, programme and brand, like slaves of old, actual consumers. Similarly, any MBA student can soon distinguish between the private sector and the public sector, typically equating the former with positive notions (e.g. efficiency, discipline) and the latter with negative notions (e.g. inefficiency, corruption). Later on, nearly all of them serve in corporate bureaucracies, whose heads command crucial State institutions through a system of campaign funding, advertising strategies, media ownership, legal advice, scientific lobbying, capital strikes, kickbacks and revolving doors. Competition and merit may be said to be the Northern Star of the market system, hence of progress and well-being. Still, even if progress and well-being were its actual by-product, in the real market economies:

- (A) wealthy shareholders care not about their businesses as long as they get their dividends;
- (B) managers pay themselves stellar salaries and bonuses irrespective of performance;
- (C) entrepreneurs seek and obtain by hook or crook any special legislation that they may wish in order to be sheltered from more efficient competitors; and
- (D) workers follow their bosses' example by unionising so as to enjoy stable and well-paying jobs without having to be productive.

Unsurprisingly, after at least two centuries of market economies, progress and well-being remain elusive for a lot of people.

Some of the contradictions highlighted by Galbraith and discussed in the previous paragraph do surface in the new volume by Tremonti. Nevertheless, his focus remains fixed upon the one between former claims about the financial markets' beneficial 'freedom' from State 'interference' and the subsequent involvement of the State to save the financial markets from their own incompetence. Within this area of analysis, Tremonti's book reveals another glaring and important contradiction, that is to say, the one concerning the actual liquidity available on the global market and the recurrent notion — aired by politicians, pundits and media outlets alike — according to which there is no money (esp. 29-31). Tremonti remarks that, due to many years of low interest rates by the world's main central banks, liquid capital was already far from scarce before the 2008 crisis. After 2008, the world has become awash with money. Specifically, an ocean of cheap fiat money has been created via special subsidies and credit lines, quantitative easing programmes and further various 'liquidity injections' by the most important central banks, whose coffers could become so generous thanks only to the States' unprecedented and promptest emission of novel waves of public debt. These central banks, sanctioned by governments and visibly forgetful of their public functions, have therefore assisted the world's overindebted gargantuan private banks to stay afloat in spite of their own recklessness (following Tremonti, I am using here the term "bank" quite loosely, for it applies also to institutional investors, very high net value individuals, and the most important financial managers). Indeed, their recklessness has been allowed to go unpunished as well as to grow further through ensuing and enduring waves of speculation, which have included speculation upon the very debt of those States that saved such inept private banks from themselves.

No drop of this flood of cheap fiat money has reached either the productive structures of the world, i.e. most firms and households, or the States' own budgets, upon which depend vital programmes for the poor, the elderly, the infirm and the youth. The former received no credit from private banks that were too afraid of one another and of the mess that they had created to lend anything to anyone. The latter have long self-emasculated by granting boundless freedom of movement to private capital — including from and to tax havens — and by setting up finance-friendly fiscal systems. Thus, firms, households and States have been hit by

a deadly drought during a Biblical flood. Tremonti does not say much of the well-paid sycophants of the dominating banks that have resisted any alternative course of action, for such a course could create inflation, which is taken to be the worst of all evils under any circumstance. Inflation, though potentially eating away the accumulated debt that strangles today's "productive" economy, would also reduce the value of the assets listed on the books of the banks entangled within the "speculative" economy — and the banks wouldn't like that. Rather, Tremonti remarks that, given the nature of the response to the crisis, enterprises have been forced into extinction, jobs destroyed, social programmes slashed, poverty and destitution increased, while those chiefly responsible for the ongoing crisis have often avoided bankruptcy, returned to profit and further concentrated their control over the world's capitals, both financial and political. In short, national sovereignty, genuine economic prosperity, human wellbeing and actual lives have been sacrificed to the whims of a handful of ruthless gamblers playing a dangerous game in what Tremonti terms a "financial casino" (16), thus recalling Keynes' famous indictment of reckless speculators in his 1947 *General Theory* (16 n4).

That such a high-profile member of the world's political élite, indeed one associated with Italy's liberal and conservative parties, may use so strong a language should lead us all to ponder.

First of all, Tremonti's choice of words reveals deepest preoccupations about the composition and the reliability of the international power structure. Not only is it clear for Tremonti that democracy has been side-stepped, if not suspended altogether. Also, it has not been replaced by an alternative system that can deliver any concrete wellbeing to the world's populations. Despotism is back and it is not an enlightened one.

Secondly, such a choice of words reveals that major political leaders of the world, with whom Tremonti himself co-operated throughout the 1990s and 2000s, did accomplish to a significant extent the demise of forms of democratic self-government that Tremonti hails as the mark of distinction and honour of the Western nations. Rather than defending or promoting them, these political leaders, whom Tremonti does not name individually and describes as feigning knowledge of the financial universe, allowed a silent take-over by the planet's banking giants. This is no small incident or institutional faux pas. Indeed, Tremonti writes of a present "financial autocracy" (168) begetting a future "white fascism" (14 & 120) headed by the same financiers.

However, Tremonti is not the first one to have done so. The bankers' tacit coup d'état had already been denounced in the 1990s and the 2000s by a few scholars and fewer dissenting politicians, whom mainstream academia and mass media had however either neglected or accused of 'radicalism' and 'incompetence'. Intellectuals like Cornelius Castoriadis (cf. [Figures of the Thinkable](#), Paris: notbored.org, 2005), Eduardo Galeano (cf. *Upside Down*, New York: Picador, 2000) and John McMurtry (cf. [The Cancer Stage of Capitalism](#), London: Pluto, 1999), or political 'eccentrics' like Oskar Lafontaine and Mahathir Mohamad had long been right on at least some crucial issues, such as the establishment of a finance-centred worldwide oligarchy, the life-threatening effects of financial globalisation, and the mainstream economists' trained incapacity to address either of them as major factors of actual economic life as well as of economic instability. Tremonti, who started expressing some degree of concern over these phenomena in the early 2000s, has eventually come to agree with long-time neglected and/or loathed 'incompetents' and 'radicals' who had been, so it would seem today, right.

History's lessons notwithstanding, and despite the ongoing economic crisis and its aetiology, most countries are still resorting to the alleged wisdom and leadership of the same agents that were in power while the maelstrom was in the making. For example, institutions like the IMF and the BIS had been promoting international financialisation for decades and yet they enjoy today even more clout upon the world's governments than they did before the crisis.

Treasury secretaries and national central bankers that sponsored massive waves of speculation for twenty years, or that reassured the world about the international financial system's ability to self-manage without State interference, have been promoted to more prestigious positions. Revealingly, as a member of Italy's governing cabinet, Tremonti conflicted on several occasions with the president of the Bank of Italy, former Goldman Sachs vice chairman Mario Draghi, who serves today as president of the European Central Bank. Re-regulation of the banking industry, which had successfully lobbied for de-regulation in the decades preceding the 2008 collapse, has been mostly postponed and generally left in the hands of the very same industry that should be bound by it. Can we expect anything good from this perplexing decision of the world's leaders? Tremonti does not, and laments: "Five years after the explosion of the crisis, if we consider and add together the little and often damaging actions that have been taken, as well as all the inaction that has occurred, it is clear that its causal factors have not only persisted, but increased" (70).

To make things worse, mainstream newspapers and media outlets seem to have forgotten Lehman Brothers, the deadly bubble of "toxic assets" and, in general, where exactly the crisis comes from. Rather than addressing the fountainhead of all problems, public debates have veered away from the "financial casino" deplored by Tremonti. Instead, they have been focussing upon particular effects of the casino itself, whether outstanding public debt during a recession or individual private frauds at Wall Street. Instead of denouncing the lethal and criminogenic character of the economic system established by the financial oligarchy and their obedient political servants, journalists and pundits have been attacking what little is left of the welfare State as 'unsustainable' and particular criminals as dangerous black sheep (e.g. Bernard Madoff). Whether this shift of the media's spotlight is the direct result of the pervasive power of the "financial autocracy" (168) denounced by Tremonti, or yet another sign of a burgeoning "financial fascism" (14 & 120), is something that the book does not address.

These unanswered questions notwithstanding, it must be acknowledged that Tremonti's book, alongside a growing number of publications on global economic trends, does highlight

how much need there is on the planet for an “emergency exit” like the one that he announces in the title. Whether this exit will be taken is not yet clear. The grip of the financial oligarchy upon the nations’ governments and many super-national institutions is still very tight, as exemplified by the recessive austerity and deflationary anti-labour policies implemented after the 2008 crisis all over the EU. Banks on the verge of bankruptcy were granted lifelines. Citizens were told to tighten their belts. Autocracy, not to mention fascism, was never a paper tiger; why should it be so in the 21st century?

That an emergency exit may eventually be taken, however, is possible. Signs of forthcoming change abound. Many of them are far from reassuring. Growing unemployment, popular protests, the resurgence of terrorism, looming wars in the middle East as politically viable spending programmes, diplomatic tensions within the EU, BRIC’s complaints about currency wars initiated by Western countries, and the electoral success of xenophobic parties in civil Finland and France cast dark shadows upon the future of Europe and of the world at large. The emergency exit awaiting us may be a truly dramatic one. Though terrifying, this is no surprising possibility. World War I followed the first prolonged global experiment in free capital trade (i.e. 1870s-1914; cf. Michael D. Bordo, [“The Globalization of Financial Markets: What Can History Teach Us?”](#), 2000), whilst World War II (WWII) concluded the Great Depression that was begotten by Wall Street’s ‘roaring twenties’ crashing down upon the notorious ‘black Friday’ of 1929. The night of finance is the mother of social nightmares.

On his part, Tremonti offers an exit that is civilised, not only because it does not rely on State violence for its accomplishment, but also because it calls upon the world’s governments to be “leaders” once again, rather than “followers” of the “financial economy”, and therefore regain the awareness of the civic function that is expected of them by constitutional mandate (22). No longer must power be left to “ventriloquists of finance, lobbyists, replicants according to the liturgy of the mercantile word and financial orthodoxy” (23). States can and actually ought to play a much more significant role, also with regard to the economic sphere, as indicated by the third pillar of his exit strategy. Tremonti believes that today’s political class must learn to resemble “the old political leaders [of the post-WWII era], forged in social

struggles, ideological conflicts, human adventures, even incarceration and wars; but capable, because of this, of deciding for better or worse upon the destiny, the future, the fate of their peoples." (22 n5).

Politicians of formally democratic nations can be corruptible and even loathsome at times, yet they must respond, in the end, to their peoples. International financiers must not; at best, they may have to respond to their largest shareholders, who are anyway a tiny proportion of the world's population and are frequently deprived of any genuine instrument to restrain the managers' self-serving control of the actual firms (cf. John Kenneth Galbraith, *The Economics of Innocent Fraud*). Despite its imperfections, Tremonti does believe "democracy" to be the best political system available (168). Therefore, if democracy is going to have any meaning in the 21st century, power must be wrested away from the financial oligarchs and restored to constitutionally elected politicians, who themselves are to regain their forgotten ability and duty to lead. If this is not done, then we are likely to experience the full force of "financial fascism, white fascism" (14 & 120). The 2010s may be the new 1930s. As dramatic as it may sound, this is Tremonti's warning and call to arms. Will anyone listen, or will he be discarded into the bin of those 'radicals' and 'incompetents' that were, however, right? Will his keen observation of economic phenomena be taken seriously, or will it be labelled 'anecdotal', 'journalism', 'sociology', 'activism' and ignored? History alone will tell.