

# Contents

---

|  |      |
|--|------|
| <i>Preface</i>   | vii  |
| <i>Conventions</i>   | viii |
| <i>List of abbreviations</i>                                       | ix   |
| 1 Introduction   | 1    |
| PART I THE EARLY YEARS   |      |
| 2 Early attempts at monetary union and the Hague Summit            | 19   |
| 3 The Werner Report and the collapse of Bretton Woods              | 34   |
| 4 The 'snake in the tunnel' reappears                              | 50   |
| 5 Monetarism arrives amidst currency turmoil                       | 61   |
| 6 The Delors Report  | 94   |
| 7 Onward to Maastricht   | 111  |
| 8 The Maastricht Treaty  | 131  |
| 9 Converging to crisis and austerity                               | 143  |
| 10 The ideological straitjacket                                    | 164  |
| 11 The Stability and Growth Pact (SGP)                             | 178  |
| 12 The convergence farce: smokescreens and denial                  | 199  |
| PART II THE PATH TO CRISIS   |      |
| 13 The first few years: smug self-congratulation and mass delusion | 207  |
| 14 The 2003 fiscal crisis  | 216  |
| 15 The German 'jobwunder'  | 234  |
| 16 European Groupthink: denial on a grand scale                    | 244  |

**PART III THE OPTIONS FOR EUROPE**

|    |  |     |
|----|--|-----|
| 17 | A monetary framework for fiscal policy activism            | 287 |
| 18 | Framing the debate: two alternative visions of the economy | 304 |
| 19 | The basic principles of functional finance                 | 330 |
| 20 | The federal solution                                       | 337 |
| 21 | Overt Monetary Financing                                   | 357 |
| 22 | Abandoning the euro  | 390 |
| 23 | Employment guarantees                                      | 422 |
|    | <i>References</i>  | 445 |
|    | <i>Index</i>   | 479 |