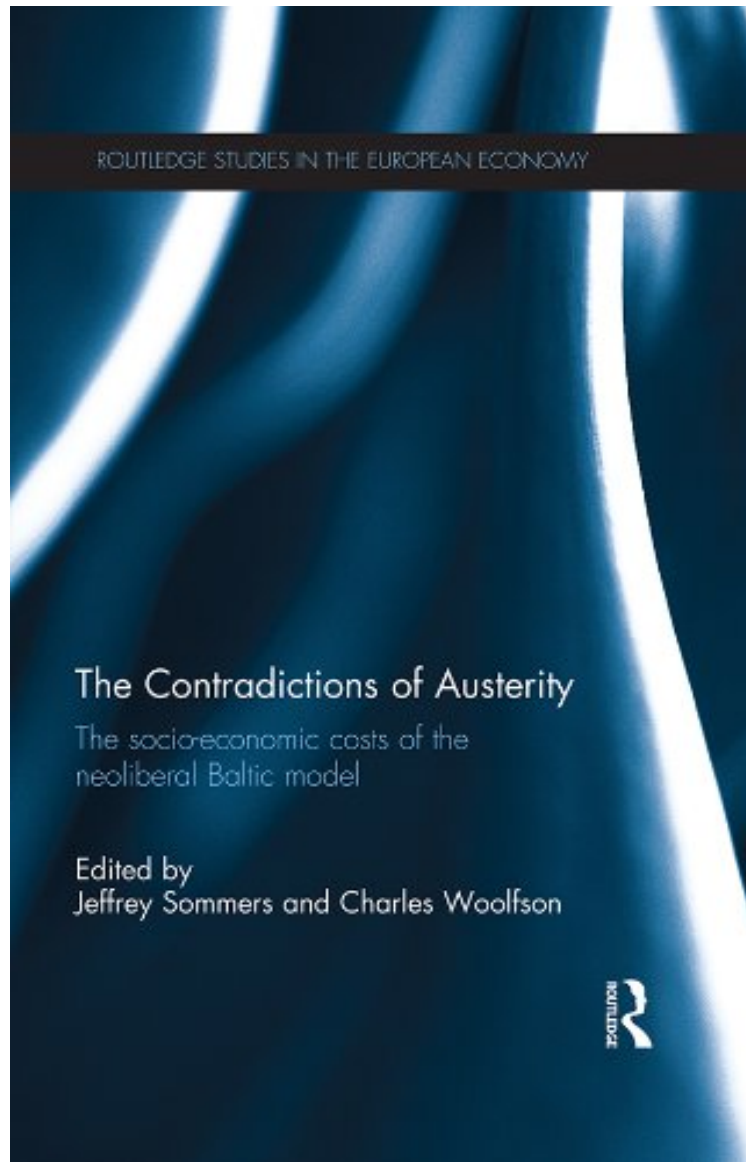


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From Routledge : The Contradictions of Austerity: The Socio-Economic Costs of the Neoliberal Baltic Model (Routledge Studies in the European Economy) before purchasing it in order to gauge whether or not it would be worth my time, and all praised The Contradictions of Austerity: The Socio-Economic Costs of the Neoliberal Baltic

Model (Routledge Studies in the European Economy):

1 of 1 people found the following review helpful. This terrific little book written by a number of highly informed ...By Twark MainThis terrific little book written by a number of highly informed expert observers, effectively demolishes the ridiculous myth of a Latvian (more broadly, Baltic) "austerity success story". No one disputes that in human terms, the "success story" has been an utter disaster. Ten percent of Latvians have fled their country (a far larger percentage of the workforce). The country has suffered a huge absolute population decline -- one which there is good reason to think is understated by the official figures, which are shocking enough. Wages and working conditions are abysmal, for those lucky enough to have a job -- unemployment remains very high, despite the growth. There has been massive impoverishment and a level of inequality that is on an almost sub-Saharan African scale. It is a curious form of economic success story whose impact on the society makes a bubonic plague outbreak seem almost attractive. The macroeconomic picture, too, does not look particularly impressive. Latvia has enjoyed a remarkably high growth rate during the post-2008 period. The growth, however, is not austerity-driven but aid-driven -- Latvia has received huge amounts of aid from EU institutions to enable it to service its debt (most of it owed to Swedish banks). Other drivers of growth include the fact that Russian mafiosi happen to favor Latvia as a money-laundering location, and ecological destruction (allowing the logging industry to decimate the country's forests for exports). The sources of Latvia's growth are foreign-controlled, unstable, unsustainable and in all likelihood laying the groundwork for a future collapse. Furthermore, while Latvia's high post-2008 growth rate has been highly touted, what has been less often remarked upon is the fact that of all of Europe, Latvia suffered the largest contraction of GDP when the crisis hit in 2008. I think only this year (2015) did Latvia even recover to its pre-crisis level. In other words, while Latvia happened to be Europe's biggest grower, it was also its biggest shrinker, which means that, in net terms, the country has hardly grown at all, but has been largely stagnant for a decade -- a minor footnote that is conveniently abstracted out of the picture whenever this is discussed. Finally, however one wishes to evaluate Latvia's economic performance, it needs to be emphasized above all else that there are a number of conditions -- demographic, geographic, historical, etc. -- which apply uniquely in the Latvian situation, and which makes that country simply not a relevant model for the larger, more advanced economies of Europe, contrary to what austerians would have you believe. The above points made with regard to Latvia also apply -- if somewhat less pronounced -- to Estonia and Lithuania. These insights and many other related ones are to be gained from a reading of this important and timely collection of writings.

1 of 3 people found the following review helpful. Somebody finally pointed out...By Great Lakes democracyContradiction's dense but finely readable demolition of the vaunted Baltic Miracle serves a long-overdue corrective to the superficial read on Europe 21st C: Greece bad, Latvia good. Centrists, who echo the extreme fiscal right wing of only a decade ago; and the global finance sector -- which now includes investment companies, insurance cartels, and the mysterious black boxes of major multinationals who invest in or buy up other companies as increasing shares of their income and assets -- applaud little Latvia as the Way to Go. This volume incisively corrects by some simple, unchallengeable pointings-out: Latvia has exported, more than addressed, its unemployment, through a staggering outflow of its working-age demographic: a solution unavailable to larger countries not surrounded by prosperous exporters with high labor demand. And what's left is not, in fact, better off in terms of per capita income, sectoral diversification, national autonomy, or even its real unemployment rate. The other two Baltic states have not actually recovered so much as repositioned. Rather than return to former prosperity, they have become versions of Australia -- new third-world economies, entirely subservient to higher-income capital-centers like Germany, Saudi Arabia and The People's Republic of China. That's the real solution advocated by global capital, and a chilling one. Forget that recent Development Century, when the World Bank, IMF, dollar standard, floating currencies, falling trade barriers and American aircraft carriers guaranteed the rising tide for the whole world, from Mali to Manila. Now it's global interdependence with a vengeance: and the vengeance is wreaked on unexpected quarters, from Bangla Desh and VietNam to Riga and Edinburgh. Welcome to the New Global Order, ye of former aspiration: subserve as low-wage, gratefully dependent sources of underground minerals or factory/call center wages too low to pay local rents. Follow heroic little Latvia, lithe Lithuania, astonishing Estonia into free-trade zones and crumbling slums with no more trolley cars or trains to get to work. The alternative? Greece.

1 of 6 people found the following review helpful. Have a look before buyingBy JackalThe first editor of this volume makes a fool of himself on the Keiser Report episode 623 when discussing the book. He complains about austerity in Latvia and then trashes quantitative easing too. These are not exactly the same! Anyone who has seen Max Keiser knows that he is hit and miss. It might be hard in an interview against Keiser, but this author is just steam rolled over. The book is an edited volume and all chapters have a prior view that neoliberal policies are bad. And surprisingly, they all conclude that neoliberal policies have negative consequences. You'll find what you look for. Furthermore, there does not seem to be a genuine wish to understand the Baltic countries. Instead the countries are just exotic examples illustrating a domestic western (academic) discourse on the negative consequences of neo-liberalism. In one of the chapters they even blame the physical implosion of a supermarket outlet on neoliberalism.

The great financial crisis of 2008 and the ensuing global economic and financial turmoil have launched a search for "models" for recovery. The advocates of austerity present the Baltic States as countries that through discipline and sacrifice showed the way out of crisis. They have proposed the "Baltic model" of radical public sector cuts, wage reductions, labor market reforms and reductions in living standards for other troubled Eurozone countries to emulate. Yet, the reality of the Baltic "austerity fix" has been neither fully accepted by its peoples, nor is it fully a success. This book explains why and what are the real social and economic costs of the Baltic austerity model. We examine each of the Baltic States by connecting national level studies within a European and global political economy, thereby delivering comparative breadth that supersedes localized understandings of the crisis. Thus for each of the three Baltic states, individual chapters explore the different economic and social dimensions of neo-liberal post-communism and the subsequent wider global economic and financial crisis in which these newly financialized economies have found themselves especially vulnerable. The "austerity model" adopted by Baltic national governments in response to the crisis reveals the profound vulnerabilities created by their unwavering commitment to liberalized economies, not least in terms of the significant "exit" of their labor forces and consequent population loss. This book looks beyond basic financial metrics claiming a success story for the Baltic austerity model to reveal the damaging economic and social consequences, first of neo-liberal policies adopted during transition, and latterly of austerity measures based on "internal devaluation." Combined these policies undermine the possibility of longer-term recovery and even social and economic sustainability, not to mention prospects for successful integration in the now-faltering European project that has departed from its "Social Model" roots.

'This book promises to become the defining study on the impact of austerity in the Baltics, otherwise known as the "Baltic miracle". The Baltic miracle has been heralded by partisans of neoliberal austerity as demonstrating the success of their economic therapy, despite the pain for the affected populations. As these carefully argued and well-documented studies reveal, if this "miracle" counts as success, one would hate to imagine what failure might be. As the editors rightly argue, the import of these incisive inquiries is also "a stark warning" to the European Union, and the world, as the neoliberal assault steadily demolishes the social model that was Europe's great contribution to modern civilization.' - Noam Chomsky 'The crisis of 2008 put Europe's Periphery in a state of civil war between those who had not caused the crisis, and were asked to pay for it, and the few who had caused it but insisted on remaining in power. The Baltic countries were the first battleground on which the powers-that-be fought for their survival wielding the lethal weapon of austerity. They "made a desert", and then exported it to Ireland and Europe's South hidden behind claims of "success" in the Baltics. Never before has spectacular economic policy failure been so effectively re-packaged as "success" and pressed into service so as to enfeeble, humiliate and usurp a whole Continent. By deconstructing the "official version" of austerity's effects on the Baltics, this book contributes greatly to those who care for Europe and for the truth.' - Yanis Varoufakis 'This is a book by scholars of great integrity and independence, who have spent years on the ground in the Baltics or close by.' - James Galbraith, Lloyd M. Bentsen Jr. Chair in Government/Business Relations at the Lyndon B. Johnson School of Public Policy at the University of Texas. Author of the forthcoming *The End of Normal: The Great Crisis and the Future of Growth*. 'This book offers a detailed, knowledgeable, concise and exceptionally clear examination of the impact of the global crisis on the Baltic countries. 'Austerity' has had a severe and wholly regressive impact upon women, the poor, the young and the old, and upon farmers, students, civil servants and anyone unconnected with the top layers of capital, the state and the ruling (financial) elites. The experience of the Baltic countries reveals the social and economic disasters which have befallen Europe in the wake of the global crisis. This book carries a warning and an alternative, and it should be read by everyone with an interest in the future of Europe.' - Alfredo Saad Filho: Professor of Development Studies, SOAS, University of London and co-editor of *Economic Transitions to Neoliberalism in Middle-Income Countries* 'On the 5th of June 2012 world economic leaders came together in Riga, Latvia, to drink champagne and eat canapes while toasting Latvia's recent economic success. And what had Latvia done to deserve such adoration? It had dealt with the implosion of a patently unsustainable foreign currency debt financed bubble economy by slashing state expenditures faster and further than anyone had thought possible. And the payoff? A quadrupling of debt in four years. As much as a fifth of the labor market living abroad. Persistently high unemployment for those that remained. And a new economic model that relies upon Russian tax evasion and remittances as a major sources of revenue. Somehow the attendees that night, and in the press reports thereafter, forgot that side of the Baltic Miracle. Summers and Woolfson (and their colleagues) have provided us with the definitive correction of record.' -Mark Blyth: Professor of International Political Economy at Brown University and author of *Austerity: The History of a Dangerous Idea* "The Contradictions of Austerity promises to be a hugely important contribution in the current debate over the future of Europe. As the outline correctly points out, while all eyes are focused on the turmoil in Greece and other southern nations in the EU, the truly devastating parable has been unfolding in the Baltic countries. It is imperative that the Aslund apologia be challenged and decisively rebutted, a task for which the contributors to *The Contradictions of Austerity* are very well qualified. Their work is extremely well researched and compellingly presented." -Alexander

Cockburn, the late editor of CounterPunch commenting on the book proposal and author's research on austerity in the Baltics "The Contradictions of Austerity is a timely, incisive, perceptive, provocative, and important collection of essays which addresses all these matters." - Leonidas Donskis for Transitions Online From the Back Cover