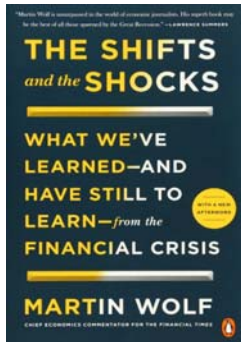


BOOK REVIEWS: Martin Wolf, *The Shifts and the Shocks; What we've learned – and have still to learn – from the financial crisis*, Allen Lane/Penguin Press, 2014, 465 p. ISBN-13: 978159420544; Tyson Neil deGrasse, *Astrophysics for People in a Hurry*, New York, London: W.W. Norton & Company, 2017, 224 p. ISBN-13: 978-0393609394



Martin Wolf, *The Shifts and the Shocks; What we've learned – and have still to learn – from the financial crisis*, Allen Lane/Penguin Press, 2014, 465 p. ISBN-13: 9781594205446

Sorin Burnete, “Lucian Blaga” University of Sibiu, Romania

Books and articles to deal with the 2008 global recession are plentiful. Most of them were written in the aftermath of the event and for a well-grounded reason: analyzing an economic calamity of such amplitude requires calm and clear-sightedness, which tend to become prevalent once excessive exuberance begins to fade. Yet there always are, though few, lucid minds who will not allow themselves to be carried away by the tide, who manage to preserve their rational judgment irrespective of the upward or downward swing in the general mood. This is most certainly the case of Martin Wolf, the author of the best-seller *The Shifts and the Shocks*, hereafter referred to as the author. Although the book appeared three years after the crisis ended, the author does not rank among those audacious spirits, who suddenly awakened to a harsh reality, discovered

how evil the capitalist system was; on the contrary, he was fully aware of the latter's fragility, much compounded by globalization. In a number of papers published before the crisis, the author sounded the alarm about the possibility that the global economy's flimsy balance might crack. However, as he avows with honesty in the preface of the book, the author did not foresee "a crisis of such a magnitude in the high-income countries" (p. XV).

The reader of *The Shifts and the Shocks* will be struck by the book's breadth in scope: it has an economic, a political, a legal as well as a human behavioral and psychological dimension. Simply put, the book is neither a mere account of the dreadful events usually attendant upon crises (crashes, bankruptcies, sell-offs etc.) nor is it a hodgepodge of technicalities, meant to highlight the faults in the financial market functioning. It is instead a veritable treatise on global economics, in which micro and macro analyses are skillfully interspersed with political, historical, legal and psychological digressions. Besides, the book exhibits some compelling features that distinguish it from the avalanche of publications that have emerged since the crisis broke out. The title, to begin with, contains an encrypted message, which, without being esoteric calls for reflection. Why, the reader might wonder, *The Shifts and the Shocks* and not vice-versa, *The Shocks and the Shifts*? The fact is all the more puzzling as, within the book, the two chapters bearing the respective titles are set in reverse order, that is, the author starts by discussing the "shocks" before dealing with the "shifts". After having read the book throughout, the reader will realize that the logical order is nevertheless the one suggested by the title. More specifically, the thread of the book resides in the causality relationship between two basic coordinates that is, the major changes undergone by the world economy during the last decades, particularly after the rise of China as a great power, in parallel with the ever more pernicious influence of financial markets upon governments' macro-policies (the "shifts"), respectively the increasing fragility of finance and implicitly of the global economic system as a whole, which eventually triggered the 2008 depression (the "shocks").

Which are the most outstanding shifts that rendered the western economies vulnerable and shaky prior to 2008? According to the author,

two types of shifts occurred, namely, “shifts within the financial system and shifts in the wider social and economic environment” (p. 118). The former was the corollary of financial liberalization, being widely reflected in the penchant toward trust in markets over governments. Moreover, the belief that free markets are able to allocate resources better than governments found strong support in economic theory, thereby gaining a great deal of popularity among practitioners. “And so – notes the author with sarcasm – increasingly, the activities of the financial sector became dominant, its rewards became exceptional and its most successful practitioners became heroes” (p. 125). As for the shifts in the social and economic environment, they were, more or less, the corollary of globalization, which has engendered tremendous structural imbalances within the world economy. The most conspicuous one was (and still is) the gap between the accumulation of savings at one pole of the world (mostly China and oil-exporting countries) and the buildup of hardly-sustainable deficits at the other (mostly the US). The notion (aka the “global savings glut”) had been coined by Ben Bernanke, the then governor of the US central bank, who also explained the causes behind this unprecedented situation. Without bluntly arguing against Bernanke’s viewpoint, the author still questions the latter’s theoretical relevance. “...How does one identify a savings glut... Why should one call it a savings glut, rather than an ‘investment dearth?’” (p. 151) – the author asks rhetorically. A further legitimate question would then be: if the two formulas are equivalent in economic sense, why did Bernanke use the former and not the latter? Governments will use one formula or the other depending on their specific policy goals, concludes the author.

Unfortunately, ambiguity often bodes ill. According to the author’s keen observation, in this particular case, the problem was not actually the imbalanced state of the world economy but rather the outrageous way in which most persons holding high positions in politics, business, finance and even academia treated the issue. Aside from Bernanke, legions of high-ranking persons, not only did nothing to contain the risk-taking skyrocketing but they let themselves goaded by the sweet siren song, “hummed” by the Citigroup top brass : “When the music stops, in terms of liquidity, things will be complicated. But as long as the music is playing, you’ve got to get up and dance. We’re still dancing” (p. 117).

Ignorance is bliss, an old adage goes. Actually, in chapter 6, hyperbolically entitled “The Orthodoxy Overthrown”, the author aims his criticism primarily at “sophisticated modern economics”, which “ignored the dangers because they had been removed by assumption”. It is three paramount dangers that the author has in view that is: (1) debt contracts create specific financial and economic stability risks; (2) the existence of banks as we know them today... exacerbates these risks; (3) bank and shadow-bank lending secured against real assets can result in credit and asset price cycles, which end in crashes and subsequent recessions (p. 196). In brief, the author’s phrase: “The Failure of Official Economics”, however bombastic it may sound, reflects a discouraging truth.

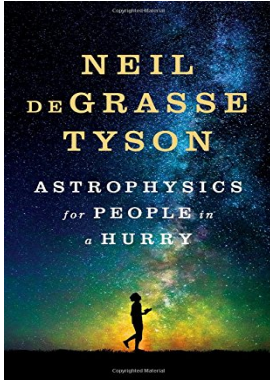
“Crises... are rooted in the interaction between the financial system and human nature” – the author states with decisiveness in chapter four. However, unlike many other scholars, who emphasized human cupidity and reckless or even deceptive behavior as chief causes of the crisis, the author is much more preoccupied by the legal environment, which in his opinion, was fatally conducive to the debacle. Despite capitalism being inherently fluctuating and therefore prone to crises, the drawback lies, apparently, in the faulty or missing or, worst of all, widely disregarded rules and regulations. Paradoxically, the author contends, fraud, though endemic, was not the chief driver of the race to the crisis but rather, the flawed legal framework, containing overly lax regulations such as: “NINJA’ (‘No income, no jobs, no assets’) loans; the right to repackage such loans into complex products, many of which were granted a triple A-rating by the rating agencies; the ability to hold such assets off balance sheet; the right to sell such complex products across the world; and the ability to operate with a leverage of fifty to one” (p. 123). Clearly, such loopholes allowed the disease to become pandemic.

So, the shocks struck... Although the credit crunch afflicted the whole western hemisphere, the Eurozone was perhaps the most violently hurt. Eurozone’s crisis is introduced in part one of the book, accompanied by a masterful analysis of the union’s inherent weaknesses and imbalances, which eventually worsened the consequences of the recession within the respective area. According to the author, certain obvious weaknesses were either ignored or gotten wrong. The balance of

payments issue for example, was largely considered as no longer relevant within the context of the single currency. This belief turned out to be not only incorrect but downright fatal. “Indeed, the author contends, the single most important lesson of the crisis is that the balance of payments continues to matter just as much within a currency union as outside one... Once a country inside a currency union becomes dependent on large net capital inflows, a sudden turnaround in these flows will cause an economic crisis. Such a crisis will be marked by a financial shock, as external funding is withdrawn, and a deep recession, as the imports on which the economy had come to rely can no longer be financed” (p. 60).

As I emphasized earlier, *The Shifts and the Shocks* has a noticeable human behavioral component. Crises may be inherent, even recurrent to the capitalist economy but they can be foreseen and prevented – is the book’s underlying conclusion. On one condition: people ought to stay alert. Actually, the author is sending out an indirect warning: “In the US, the last truly systematic crisis was in the early 1930s. In the UK, it was arguably as long ago as 1866. Greed is hardly a good explanation for the scale of the crisis since it is perennial. But the fact that the last big crises in the US and the UK occurred so long before helps explain why the crisis became so huge” (p. 124).

In a nutshell, the greatest enemy is oblivion; people are doomed to forget... and there’s nothing one can do about it.



Tyson Neil deGrasse, *Astrophysics for People in a Hurry*, New York, London: W.W. Norton & Company, 2017, 224 p.
ISBN-13: 978-0393609394

Otilia Aioanei, “Alexandru Ioan Cuza” University of Iași, Romania

What is the origin of time and space? How big is the universe? Do we fit in the universe or does the universe fit within us? Nowadays few of us have the necessary time to stop from our daily routine and contemplate the magnificent cosmos.

Although “the universe is under no obligation to make sense to you”*, there is no other better guide for people “in a hurry” than the well-known astrophysicist Neil deGrasse Tyson, best seller author, and science communicator. The real journey to becoming a scientist began in 1975. That year, Carl Sagan, one of the most important scientists at that time invited to Cornell University a high-school student of Bronx High School of Science. The teenager was highly passionate, almost obsessed with astronomy. You got the point: the student was Neil deGrasse Tyson who declared later on: “I already knew I wanted to become a scientist. But that afternoon, I learned from Carl the kind of person I wanted to become.” (2004). Nowadays, Tyson became director of the world famous Hayden Planetarium as well as a popular science communicator,

* This is how Neil deGrasse Tyson begins his book.

having the talent of presenting astrophysics in a very natural and intelligible way.

The New York Bestseller, *Astrophysics for people in a hurry*, can bear you company while you enjoy your morning coffee or while you travel around by bus or by plane. The Star Talker* brings the Universe closer to Earth in a succinct, but very clear manner, using a keen sense of humour and wit stories inserted in chapters that are easily readable anywhere and anytime during a busy day. Simple, but not easy, the book reveals exactly what you need in order to understand the basics of the universe: from the Bing Bang theory to black holes or quantum mechanics, and from the discovery of other planets to the quest for life in other places than Earth.

The book is available in hardcover, kindle and audible edition. Everything about the way Tyson conceived and wrote it explains his great success as an author. The title simply invites us to discover the fantastic world of science, such as quantum mechanics or astrophysics. All of the sudden, all these disciplines that have been for so long accessible only to scientists become accessible to us, common people, working in totally different fields. The author chose a title that determine us to realise that the understanding of the cosmic space could and should be an essential part of our daily life. Even the hardcover book states for this fact. Each page is organised to contain around 200 words and the hardcover is so thin, that you can easily put it in your pocket.

The twelve chapters are written in a fun and fascinating style, each of them covering a single fundamental subject, such as the Bing Bang theory, the electromagnetic spectrum, the formation and distribution of basic elements, matter and antimatter, dark energy and dark matter, the interplanetary space, the nature of Earth, etc. They are adapted from “Universe” essays that Tyson wrote between 1997 and 2007 for the History magazine.

As already mentioned, the book is simple, but not easy to read. It is a book that demonstrates the author’s real skill of communicating complicated things using very simple words. Tyson has a great talent of

* The author is also the host of the hit radio and Emmy-nominated television show Star Talk.

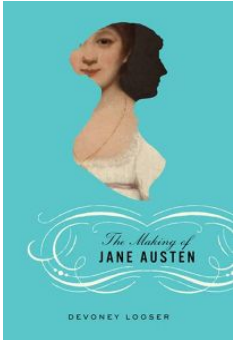
giving a certain ease to the scientific discourse, without taking out the science in it. For instance, in the first chapter, the one about the origins of the universe, he interrupts the writing with a sort of countdown. The countdown is fun and lightens the text, but it remains scientific, because it is calculated at the scale of universe's age. Basically, after the very first five paragraphs he stops and writes: "a trilionth of a second has passed since the beginning". After seven more paragraphs, "a millionth of a second has passed since the beginning". The author continues the countdown till the end of the chapter. This transforms a hopelessly abstract information into something that transposes us into the scenario of Bing Bang, sticking into our head the essence of the message. It makes us acknowledge how small our existence is in the light of eternity.

We should also give credits to the author for the ability of creating powerful images that could make anyone understand something that seems almost impossible for the majority of us. For example, Tyson explains that unlike getting caught speeding in Earth roads, the good thing about the laws of physics is the fact that we don't need law agencies to maintain them. He reinforces this information by telling a compelling story about him wearing a geek T-shirt that proclaimed "OBEY GRAVITY".

The last chapter of the book seems like a reverence to the unlimited cosmos, to its permanent transformation and expansion. Tyson called it *Reflection on the Cosmic Perspective*, being an expression of how grateful we should be for our connectedness with the universe and how humble we should feel taking into account our place in it.

The book has a special savour and it has the gift to open a taste for acknowledging how great the universe is and how little we know about it. It is a book that makes us feel we are part of this universe, that we are in this universe and, perhaps, more important, it makes us realise that that the universe is within us.

BOOK PRESENTATIONS

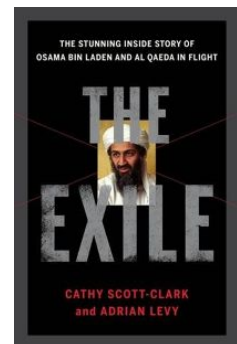


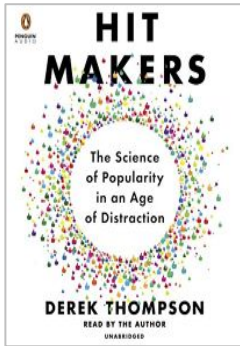
Devoney Looser, *The Making of Jane Austen*, Johns Hopkins Univ., 2017, 304 p. ISBN 978-1-4214-2282-4

Among the flood of studies marking the 200th anniversary of the writer's death, Devoney Looser (*Women Writers and Old Age in Great Britain, 1750–1850*), an English professor at Arizona State University, considers the factors - illustrations, dramatizations, and publications, as well as politics and education - influencing how past and present generations have perceived Jane Austen, explaining how an author who died quietly and little known in 1817 became one of the world's best-known authors. Readers will appreciate behind-the-scenes looks at *Pride and Prejudice's* play and film adaptations, notably MGM's 1940 version starring Laurence Olivier. Of special interest may be the chapter on the politicization of Jane Austen; the first citation of her in this way was in 1872, by a Conservative Welsh MP opposed to female voting rights.

Cathy Scott-Clark and Adrian Levy, *The Exile: The Stunning Inside Story of Osama bin Laden and Al Qaeda in Flight*, Bloomsbury, 2017, 640 p. ISBN 978-1-62040-984-8

In this remarkable work of literary-style investigative journalism, Scott-Clark and Levy trace the story of Osama bin Laden and al-Qaeda in the decade after the 9/11 attacks, from the perspective of the militants themselves. The authors utilize their extraordinary access to al-Qaeda's inner circle and many other key players to fracture the U.S. government's near-monopoly of public information. Combining countless interviews with declassified materials and secondary literature, they construct a narrative of the terror group's experiences, including the U.S. bombing of Afghanistan, al-Qaeda's secrecy and evasion tactics, drone attacks, and the climactic raid on bin Laden's Abbottabad compound. Readers gain a fascinating perspective of human complexity in individuals who are often shrouded by intrigue, and brings nuance to the general Western understanding of jihadi groups.



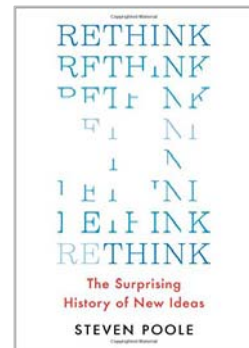


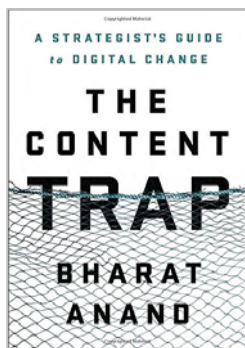
Derek Thompson, *Hit Makers: The Science of Popularity in an Age of Distraction*, Penguin Press, 2017, 352 p. ISBN 978-1-101-98032-3

Derek Thompson is a senior editor at *The Atlantic* magazine, where he writes about economics and the media. He is a regular contributor to NPR's "Here and Now" and appears frequently on television, including CBS and MSNBC. In his engaging latest book, he explores the cognitive and social psychological forces shaping pop culture, revealing common misconceptions about success. His versatility with his subject in both breadth and depth is astonishing, as he discusses topics from lullabies of Brahms to the songs of Adele and Taylor Swift and from the art of Monet to the movies of George Lucas. He also considers the economics of art and how it is undergoing massive disintermediation and restructuring. In other words, Thompson studiously examines the myriad factors that make the things we buy, like and follow so irresistible.

Steven Pole, *Rethink: The Surprising History of New Ideas*, Scribner, 2016, 352 p. ISBN 978-1501145605

Steven Poole is an English writer, educated at Cambridge, who lived for many years in Paris. He is an award-winning author and writes a column on language for *The Guardian*, his work on ideas and culture also appears in *The Wall Street Journal*, *The Atlantic*, *The Point*, *The Times Literary Supplement*, etc. *Rethink* challenges the readers to review the past and how thinking out of the box, whether by re-framing, critically, for example, can give birth to seemingly new ideas. Drawing on rich anecdotes and examples from business to philosophy to science, Poole shows what we can learn by revisiting old, discarded ideas and considering them from a novel perspective. *Rethink* is a brilliant and groundbreaking argument that innovation and progress are often achieved by revisiting and retooling ideas from the past rather than starting from scratch.





Bharat Anand, *The Content Trap: A Strategist's Guide to Digital Change*, Random House, 2016, 464 p.

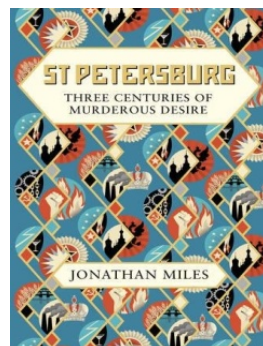
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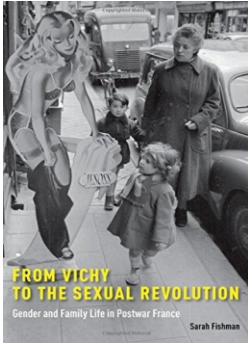
Harvard Business School Professor of Strategy Bharat Anand presents an incisive new approach to digital transformation that favors fostering connectivity over focusing exclusively on content. Bharat Anand examines a range of businesses around the world, from *The New York Times* to *The Economist*, from Chinese Internet giant Tencent to Scandinavian digital trailblazer Schibsted, and from talent management to the future of education. Drawing on these stories and on the latest research in economics, strategy, and marketing, this refreshingly engaging book reveals important lessons. Digital change means that everyone today can reach and interact with others directly. The main idea of the book is that success for flourishing companies comes not from making the best content but from recognizing how content enables customers' connectivity.

Jonathan Miles, *St Petersburg: Three Centuries of Murderous Desire*, Hutchinson, 2017, 508 p.

ISBN 978-0091959463

Oxford Ph D, Jonathan Miles has written, lectured and broadcast on cultural history all over the world. He is now offering a fluent, textured prose, a vivid dissection of 300 years of St. Petersburg's history. The cultural, and sometime political capital of Russia, built on a drained swamp by pitiless and homicidal tsar Peter the Great, mixes romantic fancy with vile reality. Miles skillfully forges and exposes the tangled character of what he calls this "absurd" city in which "dreams are big and information and truth are in short supply". Investigating the artistic life of St Petersburg, he also explores the melodrama and blood on the streets and the effects of continuing political disarray and corruption on ordinary people. From Peter the Great to Putin, this is an epic history of three centuries of St Petersburg, one of the most magical, menacing and influential cities in the world.



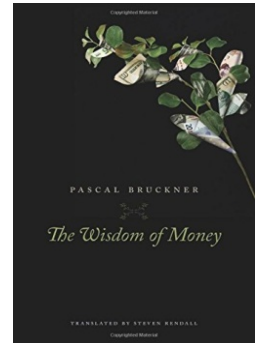


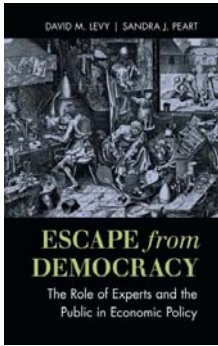
Sarah Fishman, *From Vichy to the Sexual Revolution: Gender and Family Life in Postwar France*, OUP USA, 2017, 296 p. ISBN 978-0190248628

A distinguished historian, professor of History at the University of Houston, Sarah Fishman tries to understand 'how and why ideas about gender and family life changed after the war'. By using novel sources such as magazine advice columns and juvenile court records, she penetrates deep into French class structure to tell the story of how ordinary families fare in a time of great transition. At the same time, she brilliantly shows how Sigmund Freud, Simone de Beauvoir, and Alfred Kinsey served as cultural touch points of the 1950s. In the decades following the war, France experienced radical economic and social transformations, becoming an urban, industrial, affluent nation. In less than thirty years, French ideas about gender and family life underwent dramatic changes. *From Vichy to the Sexual Revolution* is a fresh, pivotal, necessary look at an understudied period.

Pascal Bruckner, *The Wisdom of Money*, Harvard University Press, 2017, 296 p. ISBN 978-0674972278

In *The Wisdom of Money*, one of the world's great essayists, novelists and critics guides us through the rich commentary that money has generated since ancient times both the passions and the resentments as he builds an unfashionable defense of the worldly wisdom of the bourgeoisie. Bruckner mocks the hypocrisy of our secular world, not least in his own France, where it is *de rigueur* even among the rich to feign indifference to money. He believes it is better to speak plainly about money in the old American fashion. A little more honesty would allow us to see through the myths of money's omnipotence but also the dangers of the aristocratic, ideological, and religious systems of thought that try to put money in its place. This does not mean we should emulate the mega-rich with their pathologies of consumption, competition, and narcissistic philanthropy.

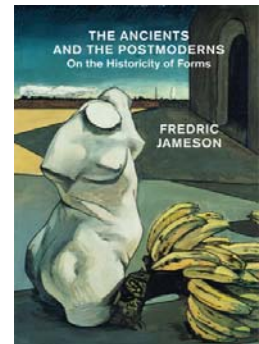




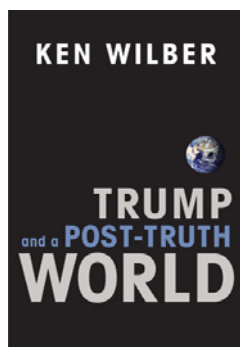
David M. Levy, Sandra J. Peart, *Escape from Democracy: The Role Of Experts And The Public In Economic Policy*, Cambridge University Press, 2017, 294 p. ISBN 978-1316507131

David M. Levy and Sandra J. Peart, two of economics' foremost public intellectuals, trace the eclipse of the democratic tradition in university economics. They illustrate the dangers of runaway authority with two disturbing cases: the eugenics movement, and comparative economics during the Cold War. This book examines the consequences of succumbing to the temptation to escape from the messiness of democracy and defends another tradition of review and discussion as checks to the temptation to impose a policy choice, despite strong and perhaps valid objections. The authors recover and extend an alternative view of economic policy that subjects experts' proposals to further discussion, resulting in transparency and ensuring that the public obtains the best insights of experts in economics while avoiding pitfalls such as expert bias.

Frederic Jameson, *The Ancient and the Postmoderns: On the Historicity of Forms*, Verso, 2017, 304 p.
ISBN 978-1784782955



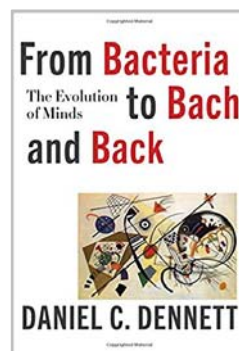
Fredric Jameson is America's leading Marxist critic and a distinguished Professor of Comparative Literature at Duke University. The central theme of this book is that works of art "must have a contradiction at their center in order to win any value." High modernism is now as far from us as antiquity was for the Renaissance. Such is the premise of Fredric Jameson's major new work in which modernist works, this time in painting (Rubens) and music (Wagner and Mahler), are pitted against late-modernist ones (in film) as well as a variety of postmodern experiments (from SF to *The Wire*, from "Eurotrash" in opera to East German literature): all of which attempt, in their different ways, to invent new forms to grasp a specific social totality. Throughout the historical periods, argues Jameson, the question of narrative persists through its multiple formal changes and metamorphoses.



Ken Wilber, *Trump and a Post-Truth World*, Shambahla, 2017, 160 p. ISBN 9781611805611

Democracies are reeling in the face of nihilism and narcissism. How did we get here? In this provocative work, philosopher Ken Wilber applies his integral approach to explain how we arrived where we are and why there is cause for hope. His book is an analysis of the recent presidential election from the perspective of *levels of consciousness*. He proposes that Trump's upset victory reflects an "evolutionary self-correction" necessitated by the fact that the leading edge of consciousness, the so-called *green* level, lost its way in a mass of internal self-contradictions and gradually failed to lead. This leading edge is characterized by the desire to be as just and inclusive as possible, which is all evolutionarily healthy; what is unhealthy is a creeping postmodernism that is elitist, "politically correct," insistent on an egalitarianism that is itself paradoxically hierarchical.

Daniel C. Dennett, *From Bacteria to Bach and Back: the Evolution of Minds*, W.W. Norton & Company, 2017, 496 p. ISBN 978-0393242072



Daniel Dennett is one of those American philosophers of mind who is comfortable conversing with and responding to the work of evolutionary biologists and cognitive scientists. For Dennett, the evolutionary transition to comprehension and consciousness comes with the emergence of the first humans, and above all with the appearance of language, always the greatest stumbling block for evolutionary theorists. Here, his principal target is Chomsky, who has always insisted on the uniqueness and universality of human language. Dennett argues that the origins of language lie in the social nature of humans and come from the necessity of communicating with one another in proto-languages now lost. Civilisation is a work in progress, it may die, returning the planet to the bacteria, or it can thrive, achieving masterpieces, like Bach's. The future is open.
