

BOOK REVIEW

The Economics of Discontent from Failing Elites to The Rise of Populism

Jean Michel Paul

2019

Solvay Brussels School of Economics and Management

Paperback ISBN 978-981-14-1730-6

545 pages

Reviewed by John Barnes^{1,*}

Credibility of the Author

Jean Michel Paul is a businessman specializing in finance, based in Singapore, a country regarded by many as a world-class financial hub. The author also teaches finance at The Solvay Brussels School of Economics and Management, a prestigious business school. The book is free of royalties and copyright in both paper and e-book formats.

The Main Concept of the Book.

This book focusses on identifying and explaining the glaring difference in income between the very wealthy entrepreneurs who constitute 1% of the population and the impoverished who constitute the other

99% of the population. Unlike other books on this topic such as *The Price of Inequality* by Nobel Laureate, leader of the World Bank and The International Monetary Fund, Joseph Stiglitz, the book under review is concise whilst retaining the best features of Stiglitz book, namely highly credible sources of data, but without repetition.

The Content and Target Audience of the Book

The book covers a diverse selection of the subject's politics, banking and finance, economics, history, marketing, both legal and illegal immigration, The European Union, monopolies, and quantitative easing.

^{1,*} Dr. John Barnes obtains a Doctor of Business Administration from The University of South Australia in Adelaide. Currently he is working in The Graduate School of Business Assumption University of Thailand as Head of Tourism Research in the HTM- TRM MBA and HTM PhD Programs. Email: barnesjohn2010@gmail.com

Readers from both academia and business communities involved with finance and banking, will find this book a useful source of information, and a reminder of the many dramatic changes which have occurred within banking and finance over the past twenty years, as well as the challenges that lay ahead.

Strengths of the Book

Readers will find this book easy to read. The style is clear and engaging, with all the ideas expressed being supported by highly credible sources, employing both graphical and text numerical sources.

The author convinces the reader of his main arguments by maintaining a balanced and well-reasoned discourse, always supported by credible data sources supported by clear and easily understood figures and tables.

In reading the book, I found to my delight, answers to many of the questions I have been pondering (e.g., why are so many politicians' lawyers?). These were covered and answered by the author who offered plausible answers and constructive suggestions.

An Overview of the Content

The book comprises 545 pages, of which the text occupies 512 pages with the remainder comprising figures, an extensive index, references, and source lists.

Seven comprehensive sections, a conclusion, and after materials

complete the volume.

This reviewer's comments are inserted for chapters 1 to 4 to support the readers of this review, while the headings of chapters 5-12 are included to offer an overview of the book's content.

1. Pain and Wealth: A Deepening Rift.

The opening issue identifies and explains why:

We are economically, politically, and intellectually unprepared for the next impending crisis. - admitting this is a necessary beginning.

No new coherent policy is possible without acknowledging this impending crisis-

Reviewer's comment: the best minds must focus on this and develop a series of solutions.

Populism is becoming prevalent in all nations and is a rational reaction to this uncertainty.

A new social contract is needed –
Reviewer's comment: perhaps a living wage as mentioned by the author is part of the solution.

(Paul, Jean-Michel. 2019, p. 16)

2. Crushed Majorities When Life Becomes Out of Reach

This millennial generation is economically crushed, with unattainable real estate, student debt, and low wages –

Reviewer's Comment: comments in the media are voiced daily in many western democracies but receive few comments and no action. The focus in much of the media continues to be one

of “divide and conquer” rather than one of reasoned explanation.

The elderly benefit from large wealth and pension payments-

Reviewer’s Comment: the author’s comments too are voiced in many nations but this reviewer believes the discussion is overly simplistic with little mention of higher income tax rates in yesteryear, and few immediate expectations of people owning their own home and of owning a motor vehicle, by currently elder people in their youth.

The intergenerational balance is broken – the elderly were able to capture resources through political clout.

Reviewer’s comment:

The political clout of the elderly was built up over time through direct engagement in the political process. Some young people today want the political clout to be handed to them on a platter without getting involved with politics themselves to develop solutions.

(Paul, Jean-Michel. 2019, p. 62)

3. Reaping from Rotten Roots.

Immigration of high skill is positive and should be encouraged.

Unfortunately, most immigration is low skill and has high costs –

Reviewer’s comment: This is particularly true regarding people escaping despotic regimes in South America and dire poverty in some African countries. The winners are local ‘high-skills’, while the losers are local ‘low-skills’. These losers face

lower benefits, competition for public resources, and high wage competition-

Reviewer’s comment: This is glaringly obvious in the USA and UK but is also prevalent in other developed western nations.

(Paul, Jean-Michel. 2019, p. 97)

4. From Sensible Economics to *Alice in Wonderland* Policies.

The economic cycle is an essential self-regulation mechanism –

Reviewer’s comment: this is true of most if not all processes of life on our Planet; in scientific terms it is called Entropy.

Governments have tried to avoid the situation, to diminish political stress – avoidance only delays the inevitable, and becomes even more necessary given structural policies against the majority

(Paul, Jean-Michel. 2019, p. 159)

5. Ways Out.

6. Conclusions.

7. Thoughts for debate- Real Estate; Education; Health Care; Infrastructure; A Human Capital Policy; Regional Policy.

8. Works Cited.

9. Useful Links

10. List of Figures.

11. Footnotes

12. Index

Weaknesses of the Book

The book would benefit from a more comprehensive coverage of businesses and financial systems in Asian, South-East Asian, Middle

Eastern, and South American countries. Admittedly that is a tall order, and so, some addition to the book title might better frame the content to geographical areas for those intending to purchase the book.

Critical Evaluation of the Book

The book is a rigorous, commendable, and scholarly business accomplishment within its scope and my hope is that readers will enjoy and learn from the book as much as I have. Jean Michel Paul is encouraged to consider producing a companion volume for the regions mentioned earlier and to better serve policy makers and business leaders considering involvement in those areas. The scope of an additional volume might best be accomplished if the author teamed up with a like-minded co-author similarly qualified in each of those areas not covered in the current volume.

References

- Stiglitz, Joseph, E., (2012), *The Price of Inequality* □ ASIN: B007MKCQ30
W. W. Norton & Company; Reprint edition (June 11, 2012) New York