

Forgive my cynicism but this Euro deal's not a deal

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Yesterday was a long day. For me. It was longer for Europe's senior politicians. But at least IU got home late and tired feeling like I'd achieved something. What did the Euro politicians achieve?

Well, forgive my cynicism please, [but the answer is 'not a lot'](#). A deal that does not say how much money is going to Greece, how much is left over for Italy and how much is going into banks to cover the mess left for them, plus where any of it is coming from is somewhat less than a filling short of a sandwich; it's just more talk with no substance.

There are simple choices to be made on the Euro. Debt has to be written off or we lose more than a decade of growth: we also face the breakdown of Europe itself with all the risks that go with that. Banks have to be nationalised: the system has obviously failed. Wealthier Euro nations have to bear a serious cost or face social turmoil at their doors which will sweep into them, inevitably, if the terms of any bailout are unsustainable on the countries affected. And the realities of differing economies have to be recognised whilst at the same time the mechanisms to support effective tax systems, the elimination of corruption and the end of political patronage have to be put in place in those countries worst affected.

They're not options. All of them are necessary. And they're a package, not parts. The 'haircut' is pointless without the reform. Failing to address the real scale of losses will simply allow the contagion to spread. And right now self-interest is a very poor guide as to what to do as a result, but it seems to still be the prevalent sentiment.

All of which makes me wonder of the Germans learned anything from Versailles. The worst thing that come happen now is that this deal could give rise to the need for a twenty first century version of ['The Economic Consequences of the Peace'](#) but I still fear it might. And that's why so far this is no deal.