Personal Economies

Once upon a time, Europe got married. Over a dozen countries replaced their sovereign currencies with one common one, the Euro, as they merged their individual economies into a single mega-economy managed from Brussels. The new community would be much more efficient, the reasoning went. There would be no more patrolled borders, and all barriers to trade would be eliminated. People and goods would move easily between countries without any duties or inspections. Strong countries would pull up weaker ones, and all countries would equally share the burdens and responsibilities of the common good.

In contrast to its bloody history, Western Europe of the late 20th Century was finally at peace. War had been eliminated, and every country loved every other. Germany loved France who loved Italy who loved Spain. Why wouldn't they want to get married? It would give them all stability and security, they told themselves. It would prove their solidarity and cooperation. At the wedding, politicians made a lot of romantic speeches about how this marriage would change history and herald a brave new era of peace and prosperity. Only crabby old Britain had reservations. Its voters rejected the Euro and decided to keep their antiquated Pound. People called Britain stodgy and behind the times. Didn't it believe in love?

Turns out, Britain was the wiser one. The Euro marriage proved unhappy and imprudent—Big Time! It essentially gave weak and undisciplined countries like Greece a credit card based on the good credit of the stronger countries like Germany. Without any enforced constraints on its behavior, Greece happily maxed out its credit cards, buying an Olympics and lots of shiny new infrastructure it could never have afforded on its own.

Naturally, the bills came due eventually, and Greece couldn't pay. This was a crisis not just for Greece but for all its marriage partners, because the healthy firewalls between their economies had been dissolved. They were all now in the same boat, coping with the leaks the weaker countries created, furiously bailing to keep the whole community afloat. The stronger countries had no choice but to continue covering for the weaker ones, because their own future was tied up with theirs.

Sound familiar? It is the story of a million marriages. If you remove healthy boundaries between two people, the weaker party is bound to draw down the stronger one. The stronger one will have little power to respond because his control has been diluted. The weaker one avoids direct responsibility for his actions because the stronger is always there to pick him up when he falls. This isn't just bad for the