

**“COUNTRY ANALYSIS: UNDERSTANDING ECONOMIC AND POLITICAL PERFORMANCE”****BY DAVID M. CURRIE, PHD****PROFESSOR OF FINANCE AND ECONOMICS****AT THE CRUMMER GRADUATE SCHOOL OF BUSINESS, ROLLINS COLLEGE**

The global economy today is at an important juncture, as it tries to sail past numerous threats of instability of different origin (financial, political, institutional, etc.) that could distort future macroeconomic decisions and thus harm anticipated economic growth. As a result the generalized concern about policy competencies and economic performances, perceived among policy makers and potential investors, is completely understandable. In this context, the only way forward to global macroeconomic stability seems to be well-known – namely, that of knowledge. Only economic policymakers, who are well-versed in economic theory and the intricacies of the global political context together with knowledgeable investors that make perceptive business decisions based on economic policy decisions, can turn the global economy into a more vibrant investment environment. But to deliver well-versed policymakers and knowledgeable investors is a challenge: it requires rigorous knowledge of economic theory as well as practical skill to use the theory as the basis for policy and/or investment recommendations. The experience of the last economic and financial crisis of 2007-08 and the resulting fear of economic recession voiced by policymakers in countries around the globe indicates that, apparently, there has been a disconnection between academic training in economic theory and the practice of evaluating macroeconomic performances at national level.

Having in mind the above mentioned arguments, it seems as there could not be a better timing for Professor's David M. Currie book "Country Analysis: Understanding Economic and Political Performance" to be published. This is a book which takes a noteworthy take on the subject of macroeconomic performances and stability of global investments by emphasizing the relationship between theory and application in investing practices. The book is founded on a perceptive premise: "Globalization is breaking down many of the barriers that previously prevented investing, or at least limited it to a few major companies with a global reach. (...) The ability to invest abroad doesn't mean you know what you're doing. Ability doesn't equal knowledge. (...) There are myriad issues to consider." To put the book's central issue crudely – how to assess global investment opportunities, on the basis of country specific economic performances?

The book sets a very ambitious goal: to demonstrate to potential investors how to use economic principles to interpret national economic performances and hence, make better informed business decisions in a volatile (and sometimes, hostile) economic environment. In it, the author successfully eschews some of the most common entanglements when analyzing and



discussing countries' performances; namely that of being "too practical" (e.g. when investors try to note common economic principles they have used in making business decisions, and thus the logic behind them is often compromised or lost), or that of "talking mathematics" (e.g. when policymakers' and investors' decisions rely solely on mathematical principles and economic models, and thus limit the potential for transformative insights to well-known principles). This been said, we can observe that Professor Currie's book follows a "political economy path", one which acknowledges national governments as major macroeconomic agents in contemporary economics and which places the academic discipline of economics in a real-life context.

The content of the book follows the reasoning of the Washington Consensus, focusing mainly on three key categories of economic decisions: fiscal, monetary and trade policy. However, it does not omit to discuss some of the most complex aspects of international macroeconomics as well (i.e. currency risk management and balance of payments). The clear objectives of the book are never lost during the author's argumentation; these are to:

- 1) Present economic theory relevant to global business investments in a more succinct manner, by focusing on economic and political circumstances;
- 2) Raise investors' awareness that economic policy decisions as well as business environments are vitally dependant on national governments and their creation of a country-specific political and cultural context;
- 3) Reiterate that investors' should keep a global perspective when making business decisions, and remember that well-known economic principles do not apply only to industrialized countries but globally; and finally
- 4) Use the Washington Consensus as a frame of reference in determining what constitutes good or bad economic performance from a country perspective when taking their investment decisions.

The pace of the chapters are carefully planned by the author, as he introduces key business concepts and elaborates macroeconomic principles gradually, in a manner which does not require from the reader to have a sophisticated command of economics or economic models. Each chapter of the book includes a series of text-boxes with real-life examples of complex business decisions, taken from relevant business periodicals. In this way, the reasoning and arguments put forward in the chapter are reinforced and cleared for the readers' benefit, as they are enabled to identify and interpret business-relevant information on their own. Upon reading the book, the reader is reaffirmed in the belief that Professor Currie is on of those rare academics who combines an excellent command of economic theory with first-hand, practical experience, which makes the book all the more refreshing and authentic in its aim. Although mainly intended for an US audience, the book's global orientation and multidisciplinary perspective on the subject make it a valuable read for anyone who wishes to understand the complex issue of cross-country investments, no matter of his/hers geographical site. Moreover, the book will certainly prove useful to finance students (of both undergraduate and graduate

level), MBA students as well as to professionally more skilled individuals.

In conclusion it is worth noting that one of the strengths of the book is that it partially departs from the recently criticized tendency to demonstrate country analysis in a sequel of mathematical formulas, but rather chooses to rely on the logical nexus between the political, economic and cultural environment in which real-life business decisions are being made. This fact, together with the author's superb command of the subject and excellent academic writing skills, makes Professor's Currie book "Country Analysis: Understanding Economic and Political Performance" a highly recommendable read for both professionals as well as scholars and advanced students in this academic area.